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ABSTRACT

From 1979 to 1982 an extension education program provided assistance to the tourism industry in rural communities adjoining northeastern Minnesota's Boundary Waters Canoe Area (BWCA). Program activities involved needs assessment, educational and technical assistance to communities and tourism-related firms, marketing programs, grants management assistance, applied research, and establishment of a communication network among area agencies, firms, and citizen groups. Tourism was found to be a major generator of the BWCA's economic base, but the tourism industry in the area was stagnating. Needed were identification of new markets, help with advertising and promotion, and technical assistance in construction, waste management, and conservation. Education and technical assistance to communities included town meetings to stimulate community-based development of tourism facilities and services, community cooperation in resource management, and visitor information center construction. Assistance to tourism-related firms included seminars and consultation on market development, physical plant improvement, business management, and food service management. Community grants encouraged local assumption of responsibility for area promotion. Research topics included market study of current resort, canoe outfitter, and non-outfitted guests, effectiveness of sports show marketing methods, and recreational properties use patterns. Program objectives, methods, and specific projects are described in detail. A list of marketing materials is appended. (LFL)

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CONTRIBUTING TO TOURISM INDUSTRY VITALITY
OF A NATURAL RESOURCE BASED REGION THROUGH
EDUCATIONAL/TECHNICAL ASSISTANCE

Uel Blank, Lawrence Simonson, Gary Ballman,
James Burke, Richard Korte, and Arnie Heikkila



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CONTRIBUTING TO TOURISM INDUSTRY VITALITY
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September, 1983

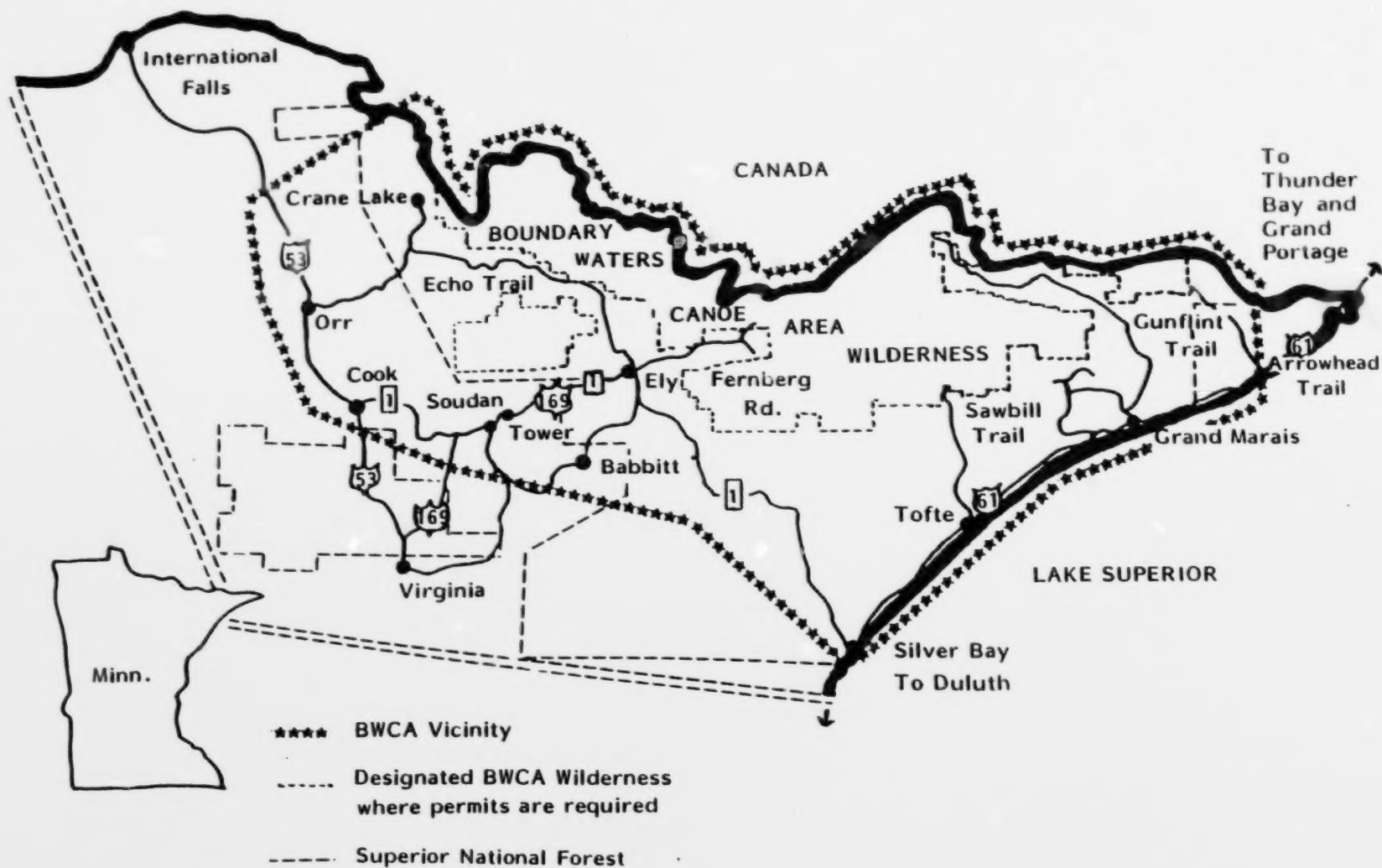
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by The Agricultural Extension Service, University of Minnesota, with
communities, businesses and organizations in the Boundary Waters Canoe
Area vicinity pursuant to PL95-495.

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1. INTRODUCTION

This report gives a comprehensive overview of a three-year extension education program designed to provide educational/technical assistance to the tourism industry serving the Boundary Waters Canoe Area (BWCA) in north-eastern Minnesota. The project was conducted in close cooperation with the U.S. Forest Service, the agency charged with management of the BWCA. The project covers the period September, 1979 through September, 1982. Due, however, to delays in funding authorization the program actually ran at full staff complement for only slightly over two years - from August, 1980 to September, 1982. Work was begun on a "needs assessment" in September, 1979, as a prerequisite to the major project thrusts.

The work is pursuant to PL95-495 which became a law in 1978. This innovative legislation recognized its certain impact upon the tourism economy of the BWCA vicinity. It imposed restrictions to motorized access into the dedicated BWCA. To assist adjustment it provided for a program of technical and educational assistance to firms and communities, and also provided for certain kinds of financial assistance.

The general area included within the program effort includes the area between the Ontario border and enclosed by and/or in the vicinity of Crane Lake, Cook, Tower, Soudan, Ely, Winton, Isabella, Tofte, Lutsen, and Grand Marais. A population of approximately 13,000 lives within the area. This area surrounds and complements the BWCA. It serves not only as the support/supply base, but physically hosts more who travel there to enjoy this unique part of the United States than does the dedicated area itself. Further, the bordering communities contribute substantially to the general ambiance and the recreational experiences of visitors.

The region's economy bases upon the three "T's" - tourism, timber and taconite (iron mining). Its first economic base in the European era was fur trading. This ended over a century ago. Commercial fishing in Lake Superior, and agriculture have been practiced, but are both greatly diminished. The first iron ore shipped from northern Minnesota came from the area. Geological explorations confirm the presence of copper and nickel in commercially mineable deposits.

Raw materials production has formed the major base of the area's economy. As in most such economies, there has been a tendency toward boom and bust cycles. Further, mining and logging have fostered development of a predominantly blue collar, pay check society. This socio-economic setting contrasts with that of high technology and/or commerce based economies.

Tourism's inception lags that of iron mining and logging by only a decade or two. Interest began to focus upon the BWCA as an area having national-level significance over 60 years ago. This attention produced a series of administrative (by the U.S. Department of Agriculture - the U.S. Forest Service manages the area as a part of the Superior National Forest) and legislative (by the U.S. Legislature) actions that have delineated the area and specified its management for wilderness recreation. The most recent of these was PL95-495.

The Tourism Industry and Its Setting

A needs assessment conducted early in the program effort indicated that the tourism industry of the project area was large. Total direct sales in 1978 were \$28 million. But in common with much of the Upper Great Lakes Area, the industry most directly serving tourists consists of a large number of relatively small, dispersed, individual proprietorships. It included 156 resorts and canoe outfitting businesses and 21 group camps that directly serve the "waters edge" recreator around the BWCA periphery. Not directly serving the "BWCA edge" but in adjacent communities and nearby features such as Lake Superior and inland lakes, are another 80 motels, hotels, resorts, condominium complexes and campgrounds. Other area business types such as automobile services, restaurants, grocery stores and sporting goods stores also make a high proportion of their sales to tourists.

There are thus over 250 area firms that are dependent upon tourists for most of their sales and/or profits. Such a large number of varied firm types presents a major challenge to an educational assistance program. The fact that they are mostly individual proprietorships compounds this difficulty. Some have new, young business owners eager to achieve market growth. On the other extreme are elderly owners, many of whom may be living partly on depreciation. In between are a variety of ownership situations in which attention of the manager is often divided between the business and another job. Many of these entrepreneurs give only limited attention to industry and market upgrading.

The general tourism industry management and ownership difficulties are heightened by local dissention over management of the BWCA as a wilderness. These attitudes are negative toward management of the BWCA as a wilderness and spill over to tourists and outsiders. These negative attitudes developed over the span of three or more decades of opposition to wilderness designation of the BWCA. Resident citizens have been impacted in at least two major ways:

- Private holdings were eliminated. These included residences, second homes, and businesses.
- The use of motors to access favorite fishing areas was restricted or forbidden. To many who are employed in nearby mines and feel no direct connection to tourism, this constitutes personal imposition on their rights to enjoy their home area.

Dissention has developed over a span of three or more decades and on occasion has lead to direct action which included blocking of roads. Many area residents indicate general distrust of "outsiders", and lack of confidence that future developments will be happier. These attitudes add considerably to the difficulty of mounting effective community educational programs.

One result of the above industry and psychological citizen settings is that the area's tourism industry stagnated - had no real growth - between the 1973-78 period. This stagnation apparently was due to a complex of factors operating both on business managers and on the area's market image.

There were, also, hopeful signs:

- One hopeful sign was that while the area's tourism industry had no overall real growth there was substantial growth realized by individual operators. In addition forty percent of managers indicated plans for future expansion.
- Market studies indicate that the image held by those using the area had begun to shift toward wilderness/natural area use. Further, market studies conducted early in the project's operation indicate a substantial demand for these recreational attractions.

Program Purposes and Components

The program represents a classic example of on-going decision-making processes in which a set of partly complementary, partly competing interests and goals must be simultaneously accommodated. These include:

- Management of high amenity natural resources for continued use over time.
- Support for viable local economies, including tourism industries as an economic component but also providing for a diversified economy which includes development of other viable forms of economic base.
- Provision for access by the general public to the recreational experience afforded by the recreational resource base.

Objectives of this program were similar to the above, but somewhat more narrowly focused. This was an educational program and its major overall educational goals were to contribute to:

- Development of recreational use patterns in the region that are complimentary with management of the BWCA as a wilderness.
- Realization of a fully viable area tourism industry providing jobs, profits, rents and tax base to the several communities.
- Achieving recreational user satisfactions emphasizing wilderness values. In this manner not only the BWCA specifically but the general north woods and waters resources of the region can make a unique contribution to the national public.

In pursuit of the overall program goals general educational operating objectives were to:

- Use the competence of the University of Minnesota to generate usable knowledge about the tourism industry of the region and its markets. This information is needed as the basis for decisions about tourism development and marketing.
- Provide educational/technical assistance to area communities as noted above in moving forward with the optimum development of their tourism industries in a manner compatible with the overall goals.
- Provide educational/technical assistance to the managers of the full range of tourism-related firms, assisting with upgrading their physical plant, marketing programs and management systems.
- Provide educational/technical assistance to and operate in a fully complementary manner with the several local, state, and federal agencies and the several citizen and business associations serving the area's tourism. This assistance was designed to enable these agencies to serve the area's tourism resources and industry more effectively.

Educational Staff

The program made use of the existing educational staff of the Agricultural Extension Service at the county, regional and specialist level. This constituted a substantial educational resource to draw upon, and added efficiency to the project's operations. Additionally, three professional staff were employed specifically for this project.

Specific staff responsibilities were:

- Overall program coordination - jointly provided by two existing specialists: The Extension Specialist, Tourist Services; and the Extension Resource Economist. Both of these staff devoted substantial effort, both of leadership and operation to the project.
- Three staff persons were employed in addition: Program field coordinator based on the St. Paul campus with the title of Tourism Development Specialist, and two Area Tourism Development Agents both based in northeastern Minnesota. Due to delays in program funding and time required for filling positions, the three-year project actually operated at full staff for barely two years.

All of the above educational staff including regional and county personnel and numerous extension specialists who contributed a part of their expertise but were not part of the specifically assigned program staff are referred to throughout the balance of this report as the "extension team".

The extension team was further extended through subcontracting of selected specialized tasks. These included research of market potential in the midwest; Package Tour Demonstrations, preparation of "Recreational Concepts" and an Urban Community Design Tour. These are discussed in following sections. In each case the subcontractor became, for purposes of the specific project, an extension of the staff. Responsible staff worked in close relationship with them. These subcontractors added to the program's effectiveness.

Educational Methods

Details of procedures are discussed under each project throughout this report. The reader may find a brief overview of procedure and philosophy helpful. This subsection provides such an overview.

The program's basic operating philosophy was that the several parts of the tourism/recreation decision system related to the BWCA had great creative capacity and ability to act positively. Two serious barriers to full expression of the system's genius are: 1) lack of accurate comprehensive information upon which to base positive decisions and, 2) inadequate information flow among the several decision units. In the dissention of the BWCA setting the latter was a more serious factor than usual.

Major educational methods and procedures included:

- Assembly of applicable, available information from state, national and international sources.
- Generation of new data through applied research work. Accurate, comprehensive market, impact and industry data were particularly needed.
- Wherever possible, area citizens and managers were involved in the information-gathering and analysis process. Their operational data and overall insights were needed ingredients. Further, this gave them opportunity to contribute positively in a non-threatening way.
- Many public opportunities were provided for sharing ideas and information as inputs into data gathering.
- Information was analyzed and provided wide coverage to area citizens and managers. The methods used were manifold: a wide variety of meeting sizes and types; individual and small-group consultations; public media; use of newsletters; and preparation and dissemination of many types of reports.
- Effort was made to achieve a flow of information and improved understanding among the several systems where information flows had faltered including:

BWCA Residents --- environmental interests
 BWCA Residents --- Duluth and Minneapolis-St. Paul residents
 BWCA Tourism Industry --- Resource managing agencies
 BWCA Tourism Industry --- Other BWCA vicinity citizens
 Several subparts of BWCA vicinity

- Demonstrations, in some cases included hands-on efforts by staff, to achieve implementation. Examples: the use of computerized handling of advertising responses; and the design of promotional materials.

The reader is reminded that accomplishments and work implemented as reported in the several sections of this report were not achieved solely or even primarily by the program staff. The accomplishments were made by the several managers, agencies, associations and citizens in varying combinations. Implementation was, however, catalyzed, speeded and/or upgraded by information inputs or improved information flows. This is the role of an information managing system such as the Agricultural Extension Service.

Organization of the Report

Program activities are reported under eight headings. It will be apparent that these are all closely interrelated. For example, many subprojects have an applied research, and/or marketing and/or communications flow component. There are, however, separate headings for each of these in order to bring focus to this aspect of the overall effort.

No effort is made to indicate chronological order among the projects. However, all activities took place within the September 1, 1979 to September 30, 1982 period.

The several report headings are briefly described as follows:

- Needs Assessment - This overall area assessment was carried out first and apart from the rest of the project effort. Because of its contribution to the overall project it is reported separately.
- Education and Technical Assistance to Communities - This section highlights those community development type projects carried out with the several BWCA vicinity communities. Other community related projects, particularly in marketing are reported under other headings.
- Educational and Technical Assistance to Tourism Related Firms - An overview of efforts specifically directed to firm managers is given. Details would unnecessarily lengthen this section.

- Educational and Technical Assistance in Marketing Programs - A major program objective was to assist the area in readjusting markets and marketing programs because of mandated changes in BWCA management, hence, marketing thrusts received major attention.
- Educational and Technical Assistance in the Management of Community Grants - PL95-495 provided funds to assist communities in execution of market readjustments. These were administered by the U.S. Forest Service, but by agreement, the extension team provided assistance since these grants were closely allied with marketing efforts.
- Educational and Technical Assistance in Special Project Management - Throughout the time period special problems arose for BWCA communities, firms, and agencies. These covered a wide range and could not be programmed in advance. Major assistance of this nature is reported here.
- Applied Research Efforts - The overall role of the university extension team was to bring systematic, objective information to bear. In many cases this required generating new relevant knowledge, as reported by the projects in this section.
- Building Communications Flows - Flows of information and communications are essential among the complex parts of all decision systems. This is a major role of extension efforts as given in overview in this section.

Finally, a concluding section looks to the BWCA vicinity and it's several communities and suggests possible future potentials in its tourism industry development.

2. A NEEDS ASSESSMENT OF TOURISM FIRMS SERVING THE BOUNDARY WATERS CANOE AREA WILDERNESS VICINITY

Section 19 of PL95-495 provides for two assistance programs for businesses and communities in the BWCA vicinity. Section 19-a calls for the U.S. Forest Service to implement a program of financial and technical assistance to selected individual firms in the region, and Section 19-b mandates the Agricultural Extension Service to implement an educational and technical assistance program to firms and communities in the region. In order to gather basic information which would assist the U.S. Forest Service and the Agricultural Extension Service in formulating direction and scale of these assistance programs, a Needs Assessment was conducted as the first order of business.

This Needs Assessment was conducted by the Agricultural Extension Service under special contract with the U.S. Forest Service during the fall and winter of 1979-1980. Data were collected through direct interviews with 83 percent of the resort/outfitting type firms directly serving the BWCA (BWCA edge firms), several dozen other retail business operators, and selected community and agency officials.

The procedure used for gathering these data may have contributed as much to the overall success of the program as the data themselves. The first step was to contact chambers of commerce, associations and other leader groups in the BWCA vicinity. The purposes for the needs assessment were explained and their assistance enlisted in encouraging firms to participate. This information was communicated to area firms in a number of ways. There were also area meetings in which questionnaires were distributed. These contacts and meetings were followed up by direct contacts with managers, often at their places of business. This procedure made possible the high percentage of completions. It also involved community leaders and business managers directly and actively in the project at the outset.

A report identifying the extent and nature of financial and other types of needs resulting from the legislation and suggesting criteria for providing the indicated assistance was published.^{1/} It was put to extensive use throughout the project, in guiding the project, Forest Service assistance and by communities. Highlights of major findings were:

- Tourism is a major generator of economic base in the area. Annual sales by BWCA edge firms totaled about \$14 million in 1978. Additional sales of \$14 million were made by other tourism-related firms in the area. Approximately 1,400 full-time job-equivalents were generated by the resort/outfitting sales.
- The BWCA edge firms serve a major function of providing access for the public into the dedicated BWCA area. During the summer months (1978) they housed overnight approximately 5,260 people per day and had available at least 3,500 rental canoes. This compares with approximately 4,280 people who were in the dedicated BWCA on an average day during the summer months.

- The overall tourism industry in the area was found to be in a state of stagnation. Some indications of this are:

- Total gross sales by BWCA edge firms showed no real growth between 1973 and 1979.

- Occupancy rates for BWCA edge firms dropped by about 4 percentage points between 1978 and 1979.

Uncertainty among firm operators regarding public action plus market confusion regarding present and future restrictions in the use of the BWCA appear as major causes of this stagnation.

- Twenty-nine firms indicated immediate financial needs totaling \$1,815,000; and 53 expressed five-year capital financing needs of \$3,617,500. These long term needs, particularly, are considered conservative.
- Marketing, technical, and resource access needs of firms were identified. Assistance with identifying new markets, advertising, and promotion were the leading marketing needs. The most frequently mentioned technical needs were for assistance with construction, waste management, and energy conservation. Help with developing trails and roads as well as concerns over BWCA permit availability were also major resource access concerns.
- Despite industry stagnation, there were indications of a basis for future growth in the industry. Forty percent of the firms indicated plans for future expansion. Some individual firms had shown rather large real growth in the past five years. The existence of substantial latent demand was demonstrated by promotional programs which generated several hundred inquiries per week.
- A great deal of variation exists among firms and communities in markets and market trends. Generalizations for the entire area, therefore, usually cannot be based on individual firms. Major geographical markets are the Twin Cities and midwestern states, but national and international markets exist.
- There is evidence from this study, from national studies, and from the special Spring 1980 BWCA promotion effort that a ready national market exists for the recreation/vacation experiences available through the BWCA edge firms. Capitalizing on this market will help remedy the economic stagnation found to currently exist in the industry.

Based on study findings, the following major recommendations were suggested:

- Future BWCA private tourism plant and market development can base on the area's unique "northwoods and waters wilderness" image. This image can be built based on a three-way marketing mix consisting of:

- The dedicated BWCA
- The adjacent woods and waters outside the BWCA
- The urbanized communities in the vicinity.

Such a three-way mix of attractions and service systems can achieve important objectives:

- Maintenance of the wilderness qualities of the unique BWCA dedicated area and its vicinity.
- Serve a broad range of wilderness area recreational experience needs of the U.S. public.
- Contribute to a viable private tourism industry that contributes optimally to the area economy.
- The key roles of access, service and economic base performed by water's edge firms, plus the need for emphasis upon quality, justify the financial assistance indicated. Complementing the financial assistance with educational/technical assistance for firms and communities appears important for full realization of the balance of objectives sought.
- Since the atmosphere of uncertainty is a major cause of the area's business stagnation, efforts by State and Federal agencies administering the public resource to reduce present and future uncertainties regarding the management and administration of the BWCA will help remedy this stagnation.

The conduct of this Needs Assessment at the program's outset proved to be a major positive factor. This included not just the data made available but the procedure employed. Successful execution of the Needs Assessment attests to validity of the methods used and its value for other similar projects. It brought the extension team into immediate, direct communication with area leaders and businessmen. The latter were, by this means, made aware of the program and directly involved in its operation.

Findings were used by the Forest Service and the extension team to develop program. Findings also provided an immediate flow of information to the several subparts of this complex decision system. They also provide a benchmark for measuring area recreation/tourism developments.

3. COMMUNITY EDUCATION -- EDUCATION FOR RECREATIONAL RESOURCE MANAGEMENT

Residents of every community have a dependence upon and responsibility to their home community that cannot be fully shared by non-residents. They also have insights concerning the community that are not available to others. They deal with the community on a day-to-day basis and thus also have developed approaches to solution of problems that they face. A limitation often exists in that a systematic means for interacting these ideas with each other and with objective facts about the community may be poorly developed. It appears that the more long-run and chronic the problems, the less effective the means for achieving community problem solutions become. This weakness results from a tolerance to the problems -- people simply learn to live with them; and/or a polarization develops in which the factions stalemate action. These factors appear to operate in many northeastern Minnesota communities. They sometimes seriously reduce the community's vitality in treating developmental problems.

In such a setting, community education programs seek to bring out the genius of the community. They involve as many interested citizens as possible in interchanges of problem definitions and ideas for problem solutions, in gathering, evaluating and applying new community data, and in a variety of challenges with new approaches to the problems.

A series of projects designed to upgrade the capability of the several communities to deal constructively with opportunities for tourism industry were conducted with the several local agencies. These ranged from mainly gathering and analyzing data about tourism to interchanges of ideas about action needed; to tours of demonstration communities elsewhere, to action projects in which residents and non-resident volunteers worked to produce a physical feature such as a trail.

These projects base upon a set of principles concerning directions that will improve the well-being of the several communities and their citizens. Included as major points are the following:

- The several communities adjacent to the BWCA, their infrastructure and hospitality services act as major supports and complements to the BWCA. They are essential to most recreational users, both in accessing the BWCA and as a part of the region's recreational experience.
- The tourism industry has relative economic advantage in northeast Minnesota. It has potential to add both stability and growth to the economy. At the same time, it should not be looked upon as the sole means of economic base; every means possible to sustain and/or develop other viable industries should be sought.
- The tourism industry of northeast Minnesota depends to a greater extent than most other industries upon support from a wide range of the local community elements and upon a complementary contribution of public and private investment.

- The application of new technologies is important in upgrading the industry. These include the supply of tourism goods and services, their marketing, and the social, financial and entrepreneurial systems for implementing them.
- Properly managed, the development of tourism contributes directly to living quality of residents. It does this through expanding the amenities for living available to residents, and through maintaining and/or upgrading community aesthetics as well as providing a better balanced, more stable economic base.

Recreational Concepts for Northeastern Minnesota

The overall objective of this project was to stimulate initiatives leading to development of tourism facilities and services in the area peripheral to but outside the dedicated BWCA. Such development is needed for tourism industry growth. Management of the BWCA as a wilderness requires limits on use in numbers accessing it and on types of activities and commercial services available within it. Facilities and services provided in the adjacent area can greatly widen the range of recreational experiences offered, provide access to woods and waters experience on less demanding terms, expand capacity to host tourists, and expand the tourism sales package thereby generating more tourism income.

This project assisted area tourism operators and citizens generally with bringing into reality some of their ideas (recreational concepts) for accomplishing these ends. Specifically, the objectives were to:

- Improve the overall capacity of northeastern Minnesota to deliver a recreational experience compatible with a northwoods image.
- Improve income to local firms and communities from sales to users of recreational services.
- Emphasize an alternative to the BWCA "pure" wilderness environment by stressing the opportunities outside the area for those to whom a less rugged recreational experience might appeal.
- Increase year-round use of the region by emphasizing the diversity of resources and activities associated with four significantly different seasons.
- Broaden the tourism market appeal of the region by developing a comprehensive recreation system with Northeastern Minnesota as the point of destination.

- Enhance the area's appeal by maintaining and upgrading the sensitive natural resources, and emphasize the character and compatibility of the northwoods ecology as a visitor generator.
- Create the impression of an area-wide open-space system of wilderness experiences.

The project was initiated with a series of public meetings - more accurately, Brain Storming Sessions - across the area. During these sessions any area citizen with any idea about stimulating tourism was invited to express and discuss his/her ideas. Hundreds of ideas were shared by those participating in two rounds of meetings at five locations.

The next step required sorting through the many suggested recreational concepts and selecting a finite number appearing to have a high potential for success in either the short or long run. Criteria used to select concepts included:

- Local support from facility operators. This support could come in the form of economic commitment, time/energy resources, cooperation, enthusiasm, etc.
- Consistency with environmental, historical, cultural factors.
- Extent to which concepts broaden market appeal in northeastern Minnesota as a tourist destination area.
- Financial feasibility with respect to funding and capital improvement costs.
- Compatibility with agency management objectives and community planning considerations.
- Short-term/long-term potential and likelihood of success.
- Income generating potential.
- Benefit to the community and environment.
- Potential for increasing year-round tourism.
- Contribution to area-wide unity through repetition of similar design elements on a regional basis.
- Number of participating operators/businesspersons.

Using these criteria, twelve recreational concepts relating to three major areas were selected for further treatment. They related to trail systems, interpretive tours and related opportunities, and information access and image building. For each of the twelve concepts, scenario's were written filling in some of the details about how each might develop.

A document describing the process and including many support materials such as prototypical drawings and specifications for various concepts was prepared and distributed to interested individuals and organizations.^{2/} The purpose of this document, "Recreational Concepts for Northeastern Minnesota", was to serve as a resource for those local citizens and organizations wanting to implement the ideas and as an "idea bank" for long term development. It served as a reference for many development discussions and meetings.

The four projects discussed below give specific examples of action implementation as a result of the Recreational Concepts project.

Recreational Trail Construction

One of the most widely supported development concepts which emerged from the Recreational Concepts Project was the need for additional recreational trail development available to existing tourism facilities. In response to this expression of local support a specific follow-through objective on the Recreational Concepts project was formulated: identify a tourism firm(s) wanting additional trail development and work with the firm(s), organizations, resource managing agencies and others to assist in converting the concept into a reality. An additional objective was to work with the firm(s) in marketing the trail as a specific tourism offering.

Based on expressions of interest made by the firm operators, the nature of their operations and the interest in trail development demonstrated by the U.S. Forest Service, two resort owners in the Ely area were asked if they would be willing to join forces and attempt to get a trail constructed to connect the two businesses and jointly market a ski-thru package. The two resorts were located about 12 miles apart in an area which already had substantial cross-country skiing trails, but the specific linkages of the trails to the two facilities had not been made. The resorts responded positively.

The extension team then began the task of generating interest in the project and exploring ways of assisting in getting a trail developed. What emerged was a volunteer trail construction weekend involving several agencies, organizations and individuals. The U.S. Forest Service flagged the trail and supervised volunteers who built it. The two resorts provided free lodging and meals at cost to volunteer workers. The North Star Ski Touring Club provided volunteers from among its membership and paid the transportation costs to and from Ely for members participating in the trail construction weekend. Many of those volunteers were from the metropolitan areas of Duluth and Minneapolis-St. Paul. The Minnesota Tourism Bureau gave support by announcing the event as part of its fall color forecasts aired over major Twin Cities radio stations. A number of Ely area cross-country skiers also worked on the trail. The extension team acted as a stimulus to get people involved and provided coordinative assistance among all the parties.

The end product of this activity was the construction of trail segments linking the existing cross-country ski trails with each other and with the two resorts.^{3/} In addition to marketing cross-country skiing individually, the two resorts put together a ski-thru package and marketed it in cooperation with Amtrak. Thus, the specific project objectives were accomplished.

This method of using volunteers to construct trails continues to be used around Ely and other areas of Northeastern Minnesota. It is a means of getting trails constructed and strategically located to the advantage of resorts and communities wishing to use them as a tourist draw. Costs are spread beyond the resource managing agency as well, which is important in times of shrinking agency budgets. There are, however, substantial program staff costs. Much time is required in the coordinating of the several interests. Good coordination and communication among all parties are the critical elements to a successful volunteer trail construction effort such as this.

Information Services to Travelers

A generally recognized need was for good information services to tourists after they have arrived in the area. This information need includes not only food and lodging services but also things to see and do. The need expressed by citizens in brain-storming meetings was supported by observations made by the program staff during market studies in which tourists were contacted. Many were found who missed interesting features simply because they lacked adequate information.

Most communities have some form of traveler information but three of those in the BWCA vicinity felt active need to improve what was available. These interests provided focus for specific action as reported here.^{4/}

The Cook Visitor Center opened as a new facility in June of 1982. This facility's purpose is to: provide an improved system of information about the area for the traveler; to provide a convenient access site for BWCA information and for issuing permits from the U.S. Forest Service; to provide information about the Voyageurs National Park; to provide the visitor with a beginning interpretation of the area; and to provide a rest stop with restrooms, a fresh drink of water, and convenient parking.

Cook's visitor center is located on a site between the business district of the city and U.S. Highway 53. Cook is a gateway city (697 population) to the western end of Lake Vermilion and the vacation area to the north (within an hour's drive of Lake Kabetogana, Rainy Lake, Ash River Trail, Crane Lake and nearby Pelican Lake). Additionally, the city is located on a major route to the Voyageurs National Park as well as being a service center and an entry for the Boundary Waters Canoe Area Wilderness.

The Center was conceptualized and developed through cooperation of the City of Cook, Iron Range Resources and Rehabilitation Board (IRRRB), U.S. Forest Service, National Park Service, Lake Vermilion Resort Association, and the Agricultural Extension Service, University of Minnesota. It was funded by the IRRRB with design assistance funds from the USFS, and constructed on a site provided by the city.

The facility is managed by the city. A unique, informal advisory committee for the Visitor Center is composed of representatives from the Cook Chamber of Commerce, the Cook Parks and Recreation Department, the Lake Vermilion Resort Association, the Pelican Lake Association, the Crane Lake Commercial Club, the Rainy Lake Association, the Kabetogama Lake Association, the Ash River Trail Association, the Voyageurs National Park Citizens Advisory group, the Voyageurs National Park and the U.S. Forest Service. In addition to providing advice and counsel in operation of the Center, each group provides funds and/or in-kind services in operation of the Center.

In its first year of operation, the Center was staffed by four individuals from the city and lake associations and three from the U.S. Forest Service and the VNP. This system was designed to give visitors information, about nearby private and public sector recreation facilities. In addition, BWCA permits were issued from the Center.

During the first season of operation the Center registered 3,316 visitors from 40 states, the District of Columbia, seven Canadian provinces, and 15 different countries. (See the accompanying 1982 statistics.)

The Tower Information Kiosk — The Tower-Soudan community had used its abandoned train depot sporadically in years past as a visitor information center. In recent years, however, lack of funds for staff and the poor condition of the depot caused this to be discontinued.

The need for a visitor information system was acknowledged in the recreational concepts process. Having identified this need, the extension team worked with the Tower-Soudan Chamber of Commerce to convince the City of Tower to approve the construction of an unmanned information kiosk on the depot site. The advantage of an unmanned kiosk is that it can provide information to travelers 24 hours per day. In addition to the kiosk, Tower plans to repair the depot for use as a manned information center. A grant proposal was submitted to the IRRRB for funding to construct the information kiosk according to specifications which had been developed as part of the Recreational Concepts report. A grant proposal was submitted to the U.S. Forest Service to assist the Chamber in establishing a manned information facility in the train depot.

Both proposals were successful resulting in a \$12,000 IRRRB grant and a \$9,500 U.S. Forest Service grant. The kiosk and the depot will be fully functioning in 1983. This project demonstrates that small communities

1982 COOK VISITOR CENTER STATISTICS

Opening Date.....June 17, 1982
 Closing Date.....September 30, 1982
 Number of States Represented.....40
 Number of Countries Represented.....15
 Number of Canadian Provinces Represented..7
 Total Number of Tourists.....3,316

States Represented:

Alabama	Indiana	Nebraska	Pennsylvania
Alaska	Iowa	Nevada	South Carolina
Arizona	Kansas	New Mexico	South Dakota
Arkansas	Kentucky	New Jersey	Tennessee
California	Maryland	New York	Texas
Colorado	Massachusetts	North Carolina	Utah
Connecticut	Michigan	North Dakota	Virginia
Florida	Minnesota	Ohio	Washington
Georgia	Missouri	Oklahoma	Wisconsin
Illinois	Montana	Oregon	Wyoming

Countries Represented:

Australia	England	Netherlands	United Kingdom
Belgium	Finland	Saudi Arabia	Virgin Islands
Canada	France	Sweden	West Germany
Denmark	Japan	Switzerland	

Canadian Provinces Represented:

Alberta	Manitoba	Ontario	Saskatchewan
British Columbia		New Brunswick	Prince Edward Island

Employees:

4 Information Clerks employed by the City of Cook
 1 Custodian employed by the City of Cook
 3 Information Clerks employed by the U.S. Forest Service

Finances:

The first year's expenses (monies disbursed by the City of Cook) are anticipated to be \$10,700 (actual expenditures as of 9/27/82 are \$6,895.42, with final bills yet to be paid).

Operating Capital Sources:

Resorts & Resort Associations - \$1,765 (Elbow Lake, Crane Lake, Ash River, Lake Kabetogama, Lake Vermilion, and Pelican Lake)
 U.S. Forest Service - \$8,348.36 (lease payments received through 9/1/82 and partial grant payment)
 Chambers of Commerce - \$1,325 (International Falls, Cook & individual area businesses)
 City of Cook - \$1,000
 TOTAL RECEIPTS THROUGH 9/27/82 - \$12,438.36

can identify their tourist service needs and take positive action to meet these needs. The Chamber is now in the process of developing the means to sustain operation of their facilities on a continuing basis.

The Grand Marais Visitor Information Center was dedicated August 18, 1982. It is the culmination of cooperative efforts by a number of individuals and organizations. The center was funded by the IRRRB and the City of Grand Marais, and is leased to the Tip of the Arrowhead Association (the "Tip"). At the request of both the "Tip" and the Grand Marais City Council, the extension team provided technical assistance in the pre-planning, site identification, design layout and signing components of the project.

After the decision to develop a new information center, an early step was to evaluate six potential sites. The project staff analyzed and discussed these sites with the city council. Throughout this phase, the extension team arranged for consultants in landscape architecture and shoreline development to provide information and advice. Cost considerations and parking availability ultimately dictated selection of a site that was, at least initially, less available to travelers.

Extension team suggestions for the selected site (chosen because it was adjacent to the City Hall and had no added land costs) included considerations of building layout, aesthetics, and information signing as follows:

- The inclusion of a second building entrance could be used to access bathrooms, telephone and basic visitor information when the center was closed.
- Covering the proposed cement exterior with cedar siding to give the center a "northwoods" image and differentiate it from the other city buildings immediately adjacent.
- Including a window panel to provide visitor information when the center was closed.
- Erecting "Northwoods" signs that were consistent with other signs in the community in order to reinforce the desired image'
- That the U.S. Forest Service Distribute Superior National Forest information and BWCA permits from the center in order to provide convenience for visitors and produce a unified image for the community.
- An internal layout for the center's display racks/cases, counters, and work space that would establish a "traffic flow" to minimize congestion during heavy use times.

The architect and city council accepted all six of the above recommendations. Another suggestion was that the Minnesota Department of Transportation (MnDOT) help in providing adequate highway signs to direct visitors to the center, since it is not visible from the main highway. Fully adequate signs had not yet been executed at the end of the program.

The center's completion required extensive cooperation and flexibility by all of those parties involved in the center's development. This has improved working relationships that had been strained by the Wilderness Act (PL45-495) and the friction associated with choosing the final location for the center. In addition, the center's provision of public restrooms (the only available in town) represents a substantial improvement in visitor services in the Grand Marais community. Because the center can provide information 24 hours a day and will be open during the winter, it is expected to make a significant contribution to the development of year-round tourism.

Developing Winter Business in the BWCA Region

Seasonality, as with most summer oriented vacation destinations, is a problem for the BWCA region's tourism industry. The fact was emphasized by many who contributed to the Needs Assessment and to the "Recreational Concepts for northeastern Minnesota" project. Thus, the need to extend the market into winter, spring and fall seasons became a high priority consideration in the technical and educational assistance program developed by the extension team. A number of spring and fall season projects are discussed in other sections of this report. This section discusses those BWCA projects designed to increase the viability of winter business in the region. These projects included efforts to:

- Increase the capacity for winter business in the BWCA region.
- Identify and pursue high potential markets for winter business.
- Develop promotional and informational materials.
- Improve and expand existing winter events.
- Assist with the development of new winter events.
- Utilize the events to attract visitors to the BWCA communities.

The implementation of these projects required that the extension team engage in cooperative efforts with resource management agencies (Minnesota DNR, U.S. Forest Service), individual businesses, BWCA communities and special interest groups within the communities. Such efforts included both the provision of ongoing technical and educational assistance to those

requesting it and assistance in special winter businesses development projects funded through specific grants. Regardless of the method of providing assistance or the funding sources, the assistance was designed to help communities learn by providing them with relevant information and opportunity for "hands-on" experience with techniques that would enable them to continue hosting the events and programs in the future on a self-supporting basis. The continued existence of these events and programs will contribute to the fall, winter and/or spring season tourism image of the BWCA region and improve profitability of many businesses. Despite the fact that the opportunity to participate in the winter development programs was available to all communities, no requests were received from Crane Lake, Cook, Tower or Isabella. Thus, the assistance programs that were designed and funded were limited to Ely and the Tip of the Arrowhead region.

Increasing Capacity

In order to effectively host winter visitors it is important to have knowledgeable businesses and community organizations that provide adequate facilities, sufficient recreational opportunities, and well-designed trail and informational systems. To help assure that this situation existed in the BWCA region, the extension team contributed by:

- Assisting with the design and development plans for the facilities that were entering or expanding winter business operations through equity assistance grants provided by the U.S. Forest Service.
- Consulting with individual businesses regarding accommodation offerings and pricing, trail system layout, signage, grooming and lodge to lodge skiing potential.
- Facilitating the expansion of existing trail systems by working with the U.S. Forest Service, individual businesses and user groups.

Among other things the team assisted with: 1. Resolution of snowmobile vs' cross-country skier competition for the same trails in the Gunflint Trail area by re-routing existing snowmobile trails and developing new ones; 2. Construction of ski trails in Ely (by volunteer labor) to create a lodge to lodge skiing opportunity; 3. Participation in the planning stages of the Northshore Mountain Ski Trail system which provides lodge to lodge skiing for business in the Lutsen and Tofte area.

Developing Markets for the BWCA Vicinity Winter Experience

An important component in this effort, and an essential first step, was helping the businesses and organizations recognize that marketing

winter business was different from marketing summer business. The extension team then focused its efforts on assisting the businesses develop markets among the many specialized (and predominately group travel oriented) winter recreation participants. These efforts included educational and technical assistance in:

- Refining direct mail programs.
- Suggesting (and assisting with) the development of audio-visual programs to be presented to ski, snowmobile and outdoor clubs.
- Contacting recreation organizations affiliated with the large Minneapolis/ St. Paul firms who arrange travel for their employees'
- Conducting a special campaign designed to attract students during the President's weekend and spring break periods.
- Arranging for travel agents to discuss tour package development with interested operators.
- Assisting with the development of ski packages which included lodging, meals and transportation (Amtrak, buses, etc.).
- Distributing promotional materials from businesses and organizations to ski and snowmobile shops, fishing and outdoor equipment stores and shopping malls.
- Conducting a major advertising and public relations campaign for Ely which included television and magazine ads.
- Arranging for travel and outdoor writers to do feature articles on the skiing opportunities in the region (Nordic Skiing, Cross Country Skier, Fins and Feathers, St. Paul Pioneer Press, Duluth Herald, etc.)
- Developing the "Tip" Stop program which included print ads (Duluth, Minneapolis, St. Paul) and posters placed in stores and local businesses and promoted winter events in Cook County.
- Converting the "Tip" brochure to an effective all seasons format.
- Stressing the need to develop efficient inquiry response systems and to evaluate the effectiveness of all marketing efforts.

Developing Promotional and Informational Publications

The critical link between the supply of winter recreation opportunities and a potential market is information that can convince recreationists to select a destination for a vacation. Since publications of this type were

either absent or not available in sufficient quantities, the extension team devoted considerable attention to assisting in this area. Efforts included:

- Assisting individual businesses and organizations with the development and production of winter brochures.
- Development and distribution of a map for the Tip of the Arrowhead which displays the location of all snowmobile and ski trails, winter business operations and points of interest.
- Development of activity-oriented pamphlets describing Tip of the Arrowhead winter recreation opportunities.
- Updating and printing of a map identifying the location of trail systems in the Ely Area.
- Reviewing a snowmobile map for Cook County.
- Development and distribution of weather proof map packages which identifies and described ski trails in Cook County. These were sold in retail outlets in Duluth, Grand Marais and Minneapolis/St. Paul.
- Development of materials and advertising for the "Tip" Stop campaign. This included a calendar of winter events in Cook County. In addition, a system was established for responding to requests and evaluating the effectiveness of the program.
- Assisting with the development and review of the response piece for the Ely winter campaign.

Improving Existing Winter Events

In this component, the extension team sought to improve the organization, efficiency and community support associated with existing winter events, by working primarily with community organizations in Ely. The project's objective was to develop new and improved systems and approaches to replace existing publications and traditional activities. Educational and technical assistance included contributing to consideration and/or implementation of improvements in two Ely winter events, the Sled Dog Race and the Wilderness Trek Cross-Country Ski Race.

Assistance to the Ely Sled Dog Committee included implementation aid and recommendations on:

- Evaluation of the organization of the race (Ely All-American Sled Dog Championship).

- Promoting the race regionally and locally.
- Recruiting individuals (media personalities, etc.) for the celebrity race.
- Improving the information provided to spectators.
- Considering means for improved cooperation with the Chamber of Commerce, including Chamber coordination of lodging and information.
- Developing a press package.
- Arranging race day media coverage.
- Funding and sponsorship strategies.
- Involving local merchants in special discount programs, meals, etc.
- Improvement of the race booklet format and informational content (schedules, ads, etc.) as a means of increasing sales.
- Use of press releases and other low cost promotional techniques.
- Encouraging the local newspapers to do post-race articles describing the economic impact of the sled dog race as a means of developing community support and recognition.
- Developing procedures for improving opportunities for spectator viewing of the race and minimizing spectator interference with the race finish.
- Developing methods for better capitalizing on race day sales of souvenirs, shirts, etc.
- Recruiting volunteers to distribute the work load associated with race preparation and implementation.
- Developing strategies for pre-race publicity and fund raising (video-tapes, movies, etc.).

Assisting S.P.O.R.T.S. (Seasonal Participation Over Recreational Trail Systems) with the Wilderness Trek III Ski Race, included implementation aid and recommendations on:

- Arranging pre-race media publicity (TV) and interviews (radio), PSA's (radio).
- Promoting the race by Television.
- Distributing race entry forms to ski shops and to contestants at other races prior to the Trek.

- Arranging media coverage and interviews with race winners.
- Developing community support and awareness of the race.
- Strategies for increasing local participation (inter-community "races" with the Trek).
- Developing signs, shuttle systems, etc.
- Reversing the race so that it ends in Ely.
- Developing a press package.
- Improving the timing system and race finish procedures.
- Developing funding sources and writing grants to fund SPORTS activities.
- Development of secondary activities and events that would complement the Trek and encourage people to stay on an extra day.
- Development of a Wilderness Weekend package for snowmobilers and skiers.
- Presentation at the Snow Show and related travel shows.
- Development of a slide tape program to be used for club presentations.
- Strategies for capturing visitor expenditures on race day to reduce the burden of fund raising throughout the year.
- Consultation and delegation of responsibility and authority in order to increase the number of race "workers" providing strategies for attracting, organizing and training additional volunteer workers for the race.

Developing New Events

Events attract people. Several new winter events were considered on which the extension team provided consultative assistance as follows:

- A John Beargrease Sled Dog Marathon was considered by the "Tip" but cancelled out.
- The "Tip" also proposed a 50K ski race which has not yet been implemented.
- The Ely Area Development Council and the Ely Driftbusters conducted the Northstar Challenge Snowmobile Ride.

Summary of Winter Events

The winter events discussed above have shown improvement in attendance and implementation over previous years, but they are still operating below their potential. This is because:

- The initiating groups often are hesitant to include others in the race preparation because, at least in part, they fear loss of control. The result is inadequate community support and participation and over-extended event committees which inevitably cannot "cover all the bases".
- The event committees viewed the funding provided by the U.S. Forest Service from specially designated monies as a short term means of paying bills rather than using it to improve promotional and informational materials or experiment with new techniques which could produce a better event over the long term.
- These events like most such community group undertakings are run by volunteers with overloaded schedules and who change responsibilities from year to year. It is thus difficult to incorporate improvements based upon experiences in these events and similar events of other places.
- The extension team offered to assist with evaluations. This follow-up as noted above, was not adequately carried out.
- Some businesses resisted development and promotion of winter business and events.

Community Tourism Theme Development

The subproject "Community Theme Development" focused primarily upon the urban communities, their visual aesthetics and their management of tourism attractions. It applies specifically to the communities of Crane Lake, Cook, Tower-Soudan, Ely, Schroeder, Tofte, Lutsen, Grand Marais and Grand Portage.

These communities are focal points for tourist travel and for tourist services, economic activity, and historical interest as well as population concentrations. They exert major influence upon the area's destination image as held by tourists, and the recreational experiences available there.

Organizations from the several communities were asked to send representatives to a two-day workshop. The purposes of the workshop were:

- To raise the consciousness of leaders of BWCA communities in how a community may make optimum use of its resources, that:
 - set it apart as unique,
 - contribute to aesthetics,
 - contribute to living quality and citizen's pride,
 - contribute to tourist appeal,
 - and provide tourists with things to see and do.
- To provide opportunity for interaction among citizens of each community, with neighbor communities and with leadership in one or more communities where progress has been made toward the above goal.

The workshop provided instruction in BWCA community tourism resources, a tour of a Wisconsin community (New Glarus) where a major shift has been made from cheese manufacturing to tourism, and discussion on possible follow-up activities. Every community having participants in the workshop program has followed up with discussion in civic organizations and/or ad hoc groups.

A goal of community design is necessarily long-term. Ely has moved the most at this time. Its activities are reported in detail immediately following.

The Ely Community Design Team organized informally to develop and identify a unique image for Ely that would serve as a catalyst in attracting visitors to the city. The Community Design Team was formed following the trip to New Glarus, Wisconsin. The first task of the Community Design Team was to determine the attitude and interest in the business community in developing an Ely identity that would:

- Add to and complement the character and aesthetics of the city and area.
- Provide optimum access to businesses.
- Attract and serve the resident and visitor all year.
- Identify key features of the Ely area.
- Provide a wide range of services for the community.
- Contribute to the living quality and citizens' pride.

Results of a community survey of 62 different business and professional people, developed with assistance by the extension team working closely with the Ely Community Design Team, indicated strong support for an Ely identity. Specific survey results include support for:

- The pursuit of a theme or Ely identity, with "Ely as a Mining Community" or "Ely as a Voyageur Community" receiving the most support. Other strong theme contenders included "Ely at the Turn of the Century" and "Ely as a Logging Community".
- The need for store front restoration or remodeling, the need for additional parking lots, and adding attractive, well planned entry signs to the city.
- The idea that Ely should direct more attention to year round activities and "stretch" the activities of the community for all levels of the residents and visitors during the year.
- The fact that Ely and its vicinity are unique and beautiful and have a viable base for the future; and that whatever is undertaken should maintain these strengths and be consistent with this character.
- The notion that continued attention needs to be focused on attitudes and apathy. Positive thinking at all levels is the place to begin.

The Ely Community Design Team has taken the following action:

- Reported the findings and recommendations of the study to the business community.
- Met with the City Council to discuss recommendations regarding parking lots, entry signs, and the theme or identity.
- Promised to pursue storefront renovation idea by working with those who have indicated interest in renovation or restoration.

The Ely Community Design Team's activity illustrates how such positive action toward a goal tends to catalyze, generate and/or take advantage of opportunities that might otherwise be lost. The Blandin Foundation made a grant in 1982 for an architectural study to upgrade aesthetics of northern Minnesota communities. Because the Ely community was already in active pursuit of this goal, the extension team recommended that it serve as the pilot community. A report, "Concepts for Improvement in Downtown Ely", followed. There has also been retention of the architect to consider specific implementation.

Reactivation of the Ely Area Development Council

One of the most necessary elements in community development work is a viable community organization that represents the community and can

aggressively treat local economic issues. Often the local Chamber of Commerce fulfills this function. In Ely, however, the Chamber of Commerce limited its activities primarily to the summertime promotion of area resorts, despite efforts to encourage expansion of their role.

Early in 1981, several community leaders including the resident U.S. Forest Ranger and members of the extension team met and discussed the need for a community organization willing to recognize community problems and to work toward improving local conditions. The group found that such an organization had existed in the past but over a number of years had become inactive. Soon after this initial meeting the Ely Area Development Council (EADC) was reactivated. Other interested parties gathered together and elected a temporary Board of Directors and Officers and began a search for an executive director. Funding for the project was provided by a grant from the U.S. Forest Service from funds provided for such purposes by PL95-495. Subsequent activities included revising by-laws and electing a permanent Board of Directors and Officers. EADC was finally an active organization.

To date the accomplishments of the EADC are many, some of which are found in other areas of this report. Most importantly though is the fact that EADC is recognized by the people of Ely including local government bodies as a viable organization that represents all of the diverse interests of Ely and aggressively works to improve the community and the life style of the residents.

It is significant that the foresight and persistence of those who perceived the need prevailed to bring the EADC into existence despite the community's economic uncertainty and local controversies due partly to the BWCA legislation. EADC is now firmly established as the institutional leader for Ely community progress and can continue to be functional as long as the citizens of Ely are desirous of improving their way of life and supporting the EADC.

ELY...REALLY! The Beginning of a Movement

While the community leaders in Ely were in the process of reactivating the Ely Area Development Council the extension team was consulting with EADC acting board members about the need for an immediate local public relations program that would excite the local residents and help change community attitudes from extreme negativism to positive belief that progress was possible and that EADC was for real and would address the problem of stagnant growth of Ely. "Ely...Really!" was agreed upon as the theme of the program. Promotional materials such as window banners for store fronts, bumper stickers, buttons and street banners were produced and distributed. Promo spots were aired on the local radio station and articles in the local newspaper lent support to the program. The entire campaign was launched at the annual parade and community picnic held on July 4, 1981.

This was the first promotional effort of the newly formed EADC. It accomplished the established goal of awakening the community and establishing an awareness that if Ely was to improve its status as a tourism destination, initial action would have to begin within the community by community citizens.

Coincidental with the launching of the Ely...Really! program, a hospitality program of not ticketing visitors who overparked in parking meter zones was considered. However, the idea was vetoed by local government officials.

Grand Marais - Tip of the Arrowhead Association Evaluation

In January, 1981, the Tip of the Arrowhead Association (TIP) requested the extension team to analyze and evaluate TIP's internal structure, promotional efforts and orientation. All institutions require perpetual renewal and revision so that they serve current needs. It is significant that the Cook County community recognized possibility for obsolescence and took steps to renovate the TIP.

In response, the extension team developed and conducted a study that included a survey of the opinions and suggestions of those individuals associated with the tourism industry in Cook County including both members and non-members of the TIP. The results were summarized and presented to the TIP Board of Directors and advertising committee in May 1981.^{5/}

Recommendations consisted of the following:

- Expansion of the membership base,
- Establish a full-time executive-director position,
- Establish specific organizational goals and objectives,
- Develop long and short term plans of the organization,
- Establish a communication network within Cook County.
- Define the responsibilities of the executive director clearly and specifically in terms of measurable performance,
- Establish a process for the ongoing evaluations of the executive director's performance,
- Establish working committees with specific responsibilities: Executive Director, Advertising Committee, Membership Committee, Budget Committee, Special Events Committee.

Further recommendations were made in these specific areas of concern that were expressed in the survey results:

- Improvement in Membership Communications,
- Improvement of the Lure Book,
- Evaluation of Sport Show Benefits,
- Market Selection Technique,
- Information Center Operations,
- Restructure Membership Fee,
- Winter Business Promotion,
- Inequities in TIP Promotional Efforts.

What Resulted? Substantial changes were made in the TIP's marketing activities. Their traditional lure book was completely revised and professionalized, new area maps were purchased for summer and winter guests. Also, a new Grand Marais information center was constructed and a renewed emphasis was placed on providing tourist services. It is clear that some of TIP's members now have a better understanding of its potential role. But institutional/organizational changes come slowly. These involve personal egos directly and it is difficult, probably undesirable, to quickly alter long-time relationships. The fact that performance changes took place suggests that that structural changes may not be necessary to that end.

4. EDUCATIONAL/TECHNICAL ASSISTANCE TO FIRM MANAGERS

A major objective of the BWCA extension program was the provision of educational and technical assistance to firm managers. Hospitality firms were found a major part of the recreational access system by the Needs Assessment. Further, the Needs Assessment found needs for marketing assistance, for technical items (construction, energy management and waste management) and for resource access assistance.

Educational/technical assistance to BWCA firms proceeded from four general methodologies:

- The existing general extension educational/technical assistance program to all Minnesota hospitality/tourism firms.
- The BWCA community education programs much of which was designed to directly assist hospitality/tourism firms.
- Educational seminars and group meetings designed to treat specific management topics.
- Direct consultative assistance to individual firm managers.

For 20 years, educational/technical assistance programs have been available to all Minnesota hospitality/tourism firms through the Agricultural Extension Service. While these were available throughout Minnesota, many were tailored especially to Northeastern Minnesota because of the relative importance of the tourism industry there. At least 100 educational occasions had been provided in that region over prior years. In addition, Minnesota Tourist Travel Notes, an educational periodical, has served as a teaching/communication medium for the past 17 years.

The state-wide educational programs continued throughout the BWCA programs. Findings from the BWCA program, specifically the Needs Assessment, marketing research, and Recreational Concepts were employed in this state-wide educational effort. At the same time many managers of BWCA region firms participated in state-wide educational events. Thus there was a cross-feed of inputs and advantages from both efforts.

A total of over 65 seminars or group meetings were held in the conduct of the BWCA educational/technical assistance program. The primary participants in nearly all these events were BWCA business managers. While many of these events were group or community directed, business managers participated; and they were conducted because in most cases the benefits would accrue to the individual businesses. These community

events are discussed in the section "Community Education". Examples illustrating the returns to individual businesses can be drawn from "Recreational Concepts". In one phase of this project recreational trails were developed to be accessible to specific operators. In another phase community information systems were improved; these centers provided information about availability of specific hospitality facilities and services.

Some of the above educational seminars and events were designed to treat specific problems of specific firms. This was the case of a series on brochure development conducted in Ely and Grand Marais. Another event treated use of computers in business management. In another series, a Package Tour Demonstration covered all communities of the BWCA region.

It is important to note the unfinished role of education to this project. Many of the research findings are only now becoming available in depth and some of the educational assistance requests are yet to be completed. A management manual, which will incorporate broadly applicable Boundary Waters research findings and tested management information, will soon be developed. This manual will have broad application to recreation businesspeople across the tourism regions of Minnesota, including the Boundary Waters area.

During the three year course of the Boundary Waters extension program, extension team members consulted with recreation facility operators and other business people as requested on more than 150 identifiable occasions. These were direct consultations; many of them at the business site and requiring substantial time input. In addition to these recorded educational events many informal contacts occurred which had educational/technical assistance inputs as well. Further, no record is available of county and area extension staff personnel (not directly assigned to the BWCA project) consultations with their clientele in the Boundary Waters area. This would add substantially to the total.

The nature of the consultations covered a wide range of topics and depth of discussion. For reporting purposes, these are categorized into the following groups:

Type of Consultation	Number of Occurences	Number of Staff
Market Development	57	4
Physical Plant Improvement	45	6
Business Management	38	6
Food Service Management	12	4
TOTAL	152	

These add up to an average of nearly one consultation per enterprise owner across the BWCA. Actually, the effect was different as many operators did not request any assistance and some asked for assistance many times on a variety of topics.

Assistance in developing marketing strategies was most often requested. This correlates with the Needs Assessment study where marketing was referred to most often as a need. The assistance requested in marketing was often triggered by a review of the guest study for individual businesses (See Chapter 8 for guest study details). This gave a logical entre to the point: "Here is what our guests are reporting. Now, how can we improve our marketing to capitalize on their likes and dislikes?" This led to information on brochure development, media ad placement and content, public relations development and related topics. Most of this effort was accomplished by the three assigned BWCA team members; Ballman, Burke and Korte.

Physical plant improvement information requests were second in number during the Boundary Waters concentrated effort. The range of requests included information about sewage treatment facilities, new facility construction, old facility renovation, energy efficiency improvement in operations and alternative energy sources. The entire team contributed to this phase and, in addition, Extension Agricultural Engineer Roger Machmeier made significant inputs.

Requests for business management information included product pricing, bookkeeping systems, computer feasibility and sell-out versus holding analysis. This also was a team effort with additional inputs from Extension Business Specialist Bud Crewdson and Food Service Specialist Robert Olson.

Requests for food service management information were less often received, which was to be expected, since a relatively small number of water-edge businesses offer food service. Of those received, however, several were for in-depth information about planning, design and operations for new food services. Primary response was given most often by Robert Olson, Extension Food Service Specialist, with support and additional information provided by other team members.

5. COMMUNITY GRANTS: THE CATALYTIC FACTOR

The authors of PL95-495 provided funds for the purchase of resorts located within the Mining Protection Area of the BWCA and grants to qualified resort operators for the purpose of improving their facilities. The expressed need for marketing assistance as evidenced in the Needs Assessment induced the extension team to propose that the U.S. Forest Service direct some funds from PL95-495 into "community grants" which would be used to support marketing programs to be developed with the mutual cooperation of a local community organization, the U.S. Forest Service and the extension team.

Grant applications were written by the extension team in cooperation with community organizations in Crane Lake, Ely, Grand Marais, Tower, Cook and Lutsen-Tofte. The applications submitted to the U.S. Forest Service were approved with the following guidelines established:

- Funds could only be used for tourism promotion-related activities.
- Each program concept would be agreed upon by the local organization, the U.S. Forest Service and the extension team. Over \$500,000 in grants were made through this program.

In most instances the program worked well. Improved marketing concepts were introduced. Increased tourism business resulted and many negative attitudes began to dissipate in favor of a renewed enthusiasm for tourism promotion.

Two important facts should be noted concerning extension team involvement in these community grants. Identifying the need for financial support required to execute educational programs is not uncommon in extension work. However, the direct action role which the U.S. Forest Service requested Extension to play was most unusual. The role was unquestionable misunderstood by some local citizens and associations, and yet it established a procedure wherein education could be provided - even if it were not always accepted. Extension acceptance of this responsibility drastically changed the traditional work plan of the extension team, since it required almost one hundred percent of the team time and effort over the last 18 months of the project. Details on the nature of each project funded can be found in other parts of this report, primarily Chapter 6.

6. MARKETING ASSISTANCE PROGRAMS AN EDUCATIONAL PROCESS

One of the major findings of the Needs Assessment of Tourism Firms (Chapter 2) in 1979-1980 was the expressed need by tourism operators for marketing assistance. Specifically, the types of marketing assistance needs expressed were identifying new markets, advertising and promotion.

The genesis of this expressed need is readily understandable when one reviews the marketing techniques used by many of the tourism operators and their representative promotion associations. Essentially they have been unsophisticated in marketing techniques and have relied primarily on traditional methods, many of which have long since become outdated and replaced by new state-of-the-art methods. Other inherent problems also add to the dilemma:

- Lack of adequate marketing dollars due generally to inadequate pricing structures among operators and failure to view marketing as an investment,
- A sense of complacency among representative promotional associations,
- Lack of adequate research,
- Hesitancy in seeking professional assistance,
- A sense of independence among operators who fail to realize the benefits of cooperative activity,
- A strong belief in provincialism, and
- A seasonal business.

Recognizing these incumbrances, the extension team initiated educational projects designed to increase marketing know-how and to expose operators and associations to professional marketing organizations.^{6,7/} The first requirement to launch most of these projects was to secure seed money financing. This was provided by the U.S. Forest Service (Section 5) as part of PL95-495. (See Appendix A for list of marketing support materials developed with these funds.)

Minnesota's Border Country: A Regional Marketing Program

In the early stages of the Educational and Technical Assistance Program funds were made available by the U.S. Forest Service, the Upper Great Lakes Commission and the Minnesota Agricultural Extension Service for an advertising program to increase awareness of the vacation opportunities in the Boundary Waters Canoe Area Wilderness vicinity. The Minnesota Division of Tourism, working with their advertising agency, Martin-Williams, Inc., created an ad campaign which was placed in newspapers, radio, and magazines.

During the summer of 1980, the extension team assisted with the preparation of a grant to continue a regional marketing project. Discussions between the U.S. Forest Service, the Division of Tourism, the extension team and tourism businesses suggested that the program emphasis should change from promoting the designated BWCA to marketing the vacation products offered by communities adjacent to the BWCA, and that the program administrator should be in northeastern Minnesota.

An agreement was reached to transfer the responsibility for developing the program to northeastern Minnesota. The Minnesota Arrowhead Association (MAA) in Duluth, representing one of Minnesota's six official tourism regions, agreed to accept the responsibility for program administration and retained J.F.P. Advertising, Inc. to develop the media advertising component of the program. A 16-page, four-color brochure, which emphasized the beauty and vacation opportunities of northeastern Minnesota and the communities surrounding the BWCA, was written and produced by the State Division of Tourism with assistance from the extension team. Beginning in February of 1981, J.F.P., MAA, the extension team, and the U.S. Forest Service cooperatively concentrated their efforts on developing a marketing program designed to:

- Contend with the misconceptions in the market surrounding the BWCA controversy,
- Establish a program theme ("Minnesota's Border Country"),
- Generate inquiries about the region from first time vacationers in major midwestern markets,
- Provide first-class promotional literature that could be sent to interested prospects,
- Produce advertising which could be placed in newspapers, magazines and radio stations,
- Produce public service announcements and press releases,
- Print promotional posters and informational maps, and
- Assist the MAA in reaching its full potential as a regional tourism association.

In its educational role during this two year regional marketing project the extension team:

- Attended media strategy meetings with J.F.P., MAA and U.S. Forest Service,
- Suggested advertising format and content which would accurately reflect the vacation opportunities offered by the BWCA region,

- Recommended markets and media placement based on market research conducted by Mid-Continent Surveys, the Minnesota Department of Economic Development, and the Agricultural Extension Service,
- Provided useful supplementary market research data to the MAA and J.F.P. for the purpose of improving the "Minnesota's Border Country Program" decisions,
- Suggested that some media efforts be focused on the non-peak seasons (fall and winter),
- Conveyed the objectives, procedures and rationale for Minnesota's Border Country to program participants, community based tourism associations and the media,
- Recommended alterations in the advertising content and placement schedule based on ongoing computer analysis of the volume of inquiries and on evaluations which the extension team conducted,
- Established the procedures and guidelines for the Minnesota Border Country conversion study (determine program effectiveness) which the MAA had agreed to conduct, and
- Provided information of the 1981 program to MAA and J.F.P. and recommended appropriate alterations for the 1982 program.

A second major effort by the extension team in this marketing program was designing a system which could streamline the inquiry referral process, improve the information management capabilities of the MAA and produce customized prospect lists for those BWCA region businesses which participated in the program. The system was designed around the capabilities of toll free phone numbers and a micro-computer installation.

Its development required the extension team to:

- Identify and order needed computer hardware (equipment) and software (programs),
- Identify the required updating of the MAA phone system,
- Develop the prospect phone interview content and procedure,
- Develop the system for receiving calls, sending information and preparing computerized prospect lists and labels for the BWCA region operators,
- Notify the BWCA region businesses of the purpose, procedure, and mechanics of "Minnesota's Border Country",

- Categorize BWCA-region operators in order to determine which prospect lists they wanted,
- Assemble descriptions of the businesses in "Minnesota's Border Country" for inclusion in the new brochure,
- Train MAA personnel in computer operations, and
- Develop a system for the ongoing evaluation of the volume and origin of the prospect inquiries.

The computerized system which was installed in the MAA office and operated by its staff played a critical role in the information management system. It was designed to:

- Enter the information provided by the inquiring prospects into separate data files (sets of categorized information),
- Print coded mailing labels for sending information to the inquirer that indicated to the staff which information should be included in the envelope,
- Produce customized prospect lists for association member businesses that were developed by matching the accommodations, services or activities offered by the business with the needs or preferences of the inquiring prospect. (For example, a business could choose to receive an RV camper prospect list or a list containing those people who wanted American Plan accommodations during the third week of August and wanted to hike),
- Print coded mailing labels which indicated to the staff which prospect lists each participating business wanted to receive, and
- Print mailing labels for those inquiring prospects that the businesses wished to pursue with their own literature. The member could place "orders" on a bi-weekly basis.

The administration and management of this very complex marketing program was entrusted to the MAA staff. However, from the very beginning of the program the MAA experienced severe and continuous management difficulties which prevented the organization from meeting its "Minnesota's Border Country" responsibilities as originally envisioned. For example, the organization had three different executive directors during the course of the program and extended periods with no executive director. These circumstances unfortunately required that the extension team assume much more involvement than had been anticipated or desired, in order to prevent the program "Minnesota's Border Country" from collapsing. This difficult decision to take a much more active role was influenced by the organizational uncertainties at the MAA, the desire to deliver the marketing program that was promised and needed by the BWCA region businesses, and the

fact that the program was already contractually obligated for over \$100,000 in program-related goods and services.

Inevitably, misunderstanding and conflict arose within the MAA Board of Directors about the direct role that the extension team was playing in the program administration. However, the extension team had to maintain that role in order to meet its responsibility to the BWCA vicinity businesses who were supposed to be the primary beneficiaries of the program. This last point caused additional conflict because many MAA Board members viewed the "Minnesota's Border Country" funding as an unrestricted subsidiary for their organization and viewed the extension team's action role in the program as an attempt to control the MAA organization.

Funding delays due to internal disagreement, federal government continuing resolution restrictions, etc., added to these difficulties. As a result, many of the components of "Minnesota's Border Country" had to be constantly revised, rescheduled and/or eliminated. These conditions made it impossible to implement much of the original program that was cooperatively developed by the extension team, MAA, J.F.P., and the U.S. Forest Service, and created additional tension and misunderstanding that produced deteriorating working relationships. In spite of these difficulties, a print and radio campaign was implemented. Toward the end of the two year project, MAA solved their management problems and effectively administered the wrapup.

An evaluation conducted through telephone interviews with a sample of those who had inquired for information as a result of the advertising campaign revealed considerable accomplishment for the "Minnesota's Border Country" program.^{8/} Three separate phases were part of the 1981-1982 programs. The number of inquiries generated by each was:

SEASON	PROSPECT INQUIRIES	FIRST TIMERS
Spring/Summer 1981	2,353	63% (1,482)
Fall 1981	624	41% (256)
Spring/Summer 1982	3,391	59% (2,000)

A number of those receiving information from the "Border Country" program vacationed not only in BWCA region communities but also in adjacent areas (International Falls; Grand Rapids; Two Harbors, etc.) This stimulation of regional tourism was predicted and was in fact a key argument for developing the "Minnesota's Border Country" program. Those receiving promotional information produced the following economic impact:

REGION	NUMBER OF VACATIONERS	TOURIST EXPENDITURES
Arrowhead Region (including BWCA vicinity)	1,035	\$449,190
BWCA Region Communities	776	\$336,784

This represents an impact of \$7.74 (Arrowhead) and \$5.80 (BWCA Region) for each dollar spent on advertising to influence these vacationers.

However, the important measure of a marketing program is its effectiveness. The extension team asked BWCA vacationers who requested information about the region from the MAA whether they had requested information BEFORE (undecided) or AFTER (decided - looking for information) they had decided to vacation in the area. The results indicated that 518 vacation parties had been convinced by the "Minnesota's Border Country" program to vacation in the BWCA region and spend an estimated \$224,812. This represents a return of \$3.87 for each dollar spent on advertising.

Three comments about this evaluation are important. First, comparing the results of the "Minnesota's Border Country" program impact and effectiveness to other advertising programs is difficult because: The educational program was designed to produce future capability within the MAA in addition to generating business; and, the precision of the evaluation was much greater than would have resulted using traditional evaluative methods which do not distinguish between "all those exposed to the advertising message who vacationed in the destination area" and "all those exposed to the advertising message who were influenced to vacation in the destination area." Using the traditional means of evaluating effectiveness, a return of \$21.92 for each dollar spent on advertising could have been shown.

Second, the program produced thousands of dollars of revenue for BWCA region businesses which would not have existed without the program. Given the economic conditions of Northeastern Minnesota, this represents a significant contribution.

Third, had this program been implemented at a time when the MAA wasn't going through its management crisis, the economic impact would very likely have been substantially greater.

Demonstration Package Tour Program

During 1980, a good deal of discussion occurred across outstate Minnesota concerning the use of package tours as a marketing device for tourism. The Minnesota Division of Tourism sponsored a series of educational meetings on the topic backed up with a "Package Tour Manual". As a follow-up, the Tower area of Lake Vermilion held a special meeting with the extension team to further promote the concept. But the idea stopped there because of lack of resources.

With the availability of BWCA technical assistance funds, it appeared productive to attempt a demonstration package tour program across the BWCA region as a hands-on effort to test the concept that package tours can be effective with a range of facilities serving out-state tourism. The

extension team, therefore, applied for and received funds from the U.S. Forest Service to implement a Package Tour Demonstration Project in the BWCA vicinity.^{9/} The objectives of this project were to:

- Demonstrate the feasibility of tour packaging as a marketing device for tourism,
- Inform potential business participants about how such a system can work and the positive and negative features involved,
- Test the concept further through developing and distributing a quality brochure featuring packages available,
- Conduct a familiarization tour for travel agents and writers in the BWCA,
- Develop a complementary advertising program to encourage travel agents to participate and suggest to the market that prospective buyers "see their travel agent",
- Develop a slide/tape presentation for the use of travel agents, transportation interests and possibly the communities around the BWCA,
- Develop the program in such a way that travel brokers and facility operators could continue the effort on their own after the demonstration program ends, and
- Advise other tourism areas of the results for action as they choose upon completion of the demonstration program.

After receiving funds, the extension team prepared and circulated a request for proposal to assist in accomplishing these objectives. A contract to assist with this demonstration project was subsequently awarded to Pearsall Voyageur Travel in Virginia, Minnesota.

Four meetings were held with interested facility operators in Crane Lake, Cook/Tower, Ely and Gunflint/Grand Marais to explain the project and invite for inclusion in the brochure. Thirty-seven packages were developed and 25,000 copies of a 22-page, four-color brochure were produced and distributed. A familiarization tour was planned and conducted in July with twenty travel agent participants. The contractor subcontracted with Jon Yaeger Photography to produce a slide/tape presentation which, in first draft form, was first viewed at the beginning event on the familiarization tour. An advertising campaign was planned and conducted in conjunction with the distribution and use of the package tour brochure by travel agents.

As of September, 1982, more than 35 packages had been sold across the area.^{10/} It appears that the program achieved modest success with regard to generating additional tourism income and likely will be continued by travel brokers and interested facility operators around the BWCA as well as elsewhere. The educational objectives of demonstrating to facility operators

how they can use this marketing vehicle and assisting them with forming the necessary industry contacts were also successfully accomplished.

Great Fall Escape to Crane Lake: A Direct Mail Experiment

Tourism in northeastern Minnesota is primarily a summer season business which begins about mid-May and ends about Labor Day. Although some resort operators engage in winter business, and the numbers have been growing in recent years, summer still produces by far the highest activity level in northeastern Minnesota. One of the popular beliefs among resorters is that fall is the most beautiful time of the year and, therefore, should be an attractive time for tourism visitors. It is also believed by many operators that the senior citizens segment of the market is the ideal target for fall vacations, primarily because senior citizens are not hampered by school openings and are completely free to travel.

An experimental program was developed to test the senior citizen fall vacation theory. In cooperation with the U.S. Forest Service, which financed the program, the extension team, 17 resort operators and the Crane Lake Commercial Club, names of 20,000 senior citizens in the Des Moines and Twin Cities area were purchased: and a direct mail brochure was produced and mailed to them. The primary appeal in the brochure was excellent fishing and/or hunting, plus the beautiful fall colors. Also, an effort was made to have all 17 operators agree on a special offer as an enticement to respond to the program. While an enticement is an important element of a direct mail program, the operators could not agree on this and the enticement effect was diluted by a general statement of a special gift (not identified). Mailings were dropped in the first five days of September. The program produced 76 mail inquiries, 3 phone inquiries and zero bookings. These results are obviously disappointing in terms of incremental tourism business. In addition to the non-specified incentive, the late mailing probably contributed to these poor results. As an experimental program, the results suggest the following questions:

- Is there a market for increased fall business in Northeastern Minnesota?
- Are senior citizens a viable target audience?
- Are fishing/hunting and fall colors an attractive enough incentive to vacation in September?
- What would have the results been had the brochure clearly specified an incentive and had been mailed much earlier, perhaps also reinforced with a second mailing?

Crane Lake Brochure Development

Crane Lake is a small resort community located on the Canadian Border. It serves as the southeastern entrance to the Voyageurs National Park and the western entrance to the million-acre BWCA. It is also an international boundary-crossing point. Because of its remoteness it must rely almost exclusively on its own promotional efforts to attract tourists. The basic promotional technique used is a widely distributed brochure (lure piece) which lists the main attractions of the area with an insert listing the businesses providing hospitality services to the visiting tourists.

Using funds provided by a U.S. Forest Service grant, a new brochure/map was developed and produced by the extension team in cooperation with the Crane Lake Commercial Club. It will be widely distributed through the efforts of the Crane Lake Commercial Club.

Ely Marketing Program Assistance

The City of Ely has been affected more than any other community by PL95-495, primarily because it has traditionally been the hub of most of the entries into the BWCA. Elyites have held strong feelings about the legislation and have expressed them in a number of overt actions as well as organized rejection of the law. To some residents, rejection of PL95-495 and the desire for the ultimate repeal of the law appear to have become obsessions.

The activities of these people, along with the legislative controversies at the time of the passage of the law, and to some degree still continuing, have been very newsworthy and are constantly being reported by the press. In addition, the action and attitudes of the Ely antagonists have become an editorial playground for members of the press. This widely publicized negativism has left a definite negative feeling among many persons who had traditionally vacationed in Ely. Also, many wrong impressions were created concerning the resort facilities available to the vacationing public.

Throughout this period of turmoil there existed a group of dedicated people who perceived that PL95-495 was in fact a law, and whether they agreed with it or not, were determined to continue their efforts to promote tourism as a viable industry in the Ely area. Organizations such as the Chamber of Commerce, SPORTS and the Ely Dog Sled Committee have recognized the value of tourism to the community and worked diligently to promote it. Unfortunately each organization has been operating with very limited financial support and independent of one another. These factors combined with community apathy toward tourism activities have limited the overall success of well intended ventures.

Since there was not a single organization which would represent all aspects of tourism in Ely, a new organization, the Ely Area Development Council (EADC), was formed. Actually, this "new" organization was a reactivation of one which had been inactive for several years. In 1981, the extension team wrote a grant proposal for the EADC which was approved by the U.S. Forest Service in the amount of \$89,600. This was supplemented by \$17,000 in-kind contributions which consisted almost entirely of volunteer time. The projects included in the grant request consisted of:

Personnel and administrative costs of EADC.....	\$11,000
Development of a winter brochure.....	20,000
A "Things to Do" Booklet.....	10,000
Expansion of "Ely Really " program.....	15,000
SPORTS.....	5,000
Sled Dog Committee.....	3,500
Ely Area Visitor Impact Study.....	5,000
Media Advertising.....	25,000

TOTAL \$94,500

While the grant was slightly less than what was requested, it provided the impetus to initiate programs designed to re-establish Ely as a tourism-oriented community.

Another grant request was submitted to the U.S. Forest Service and approved in the amount of \$83,000. This grant was supplemented with \$141,040 of local contributions which consisted primarily of in-kind dollars generated by volunteer work plus program budgets of various organizations. The extension team assisted in the grant application and was in agreement with the proposed projects. However, the final draft of the grant differed from the agreed upon break-down of projects and was approved by the U.S. Forest Service. The differences are outlined below:

Grant as agreed upon by the extension team:

EADC Staff, etc.	\$40,000
Community Action Plan.....	15,000
Educational & Technical Services.....	4,000
Media, Signing, Special Events, & Family Events.....	24,000

TOTAL \$83,000

Grant as approved:

Administration Costs.....	\$40,000
Community Action Plan.....	15,000
Educational & Technical Services.....	4,000
Tourist Information Development.....	4,000
Media Campaign.....	10,000
Development & Support of Special Events..	10,000

TOTAL \$83,000

The U.S. Forest Service and the EADC were advised by the extension team that the specific designation of media, information development and support of special events was an implied commitment to support special interests, possibly at the expense of an overall effective program. This concern eventually became a reality. Previous action by the EADC of dispensing funds upon request to special interest groups were indications of the way the EADC perceived their role. This perception was not in accord with the terms of the grant and began to cause conflicts between EADC, U.S. Forest Service, and the extension team.

Subsequently, a citizens steering committee was formed for the purpose of deciding the best use of the grant monies. The committee was instructed by EADC to consider that media and promotion requests be included in an overall marketing plan which would produce more long-range benefits than funding individual promotional requests. The steering committee was also advised that the available amount of money to be considered was \$39,493.51. This amount was determined as follows:

Balance remaining from 1981 grant	\$ 6,493.51
1982 Grant designated for education & technical services, information development, media & special events.....	28,000.00
Community Action Plan revision (reduced from \$15,000 to \$10,000).....	5,000.00
TOTAL	\$39,493.51

The steering committee, ignoring the mandate to develop an overall marketing strategy, proceeded to use a proportioning formula based on individual requests and allocated the monies to 15 special interest groups plus a small contingency:

\$6,833.33-Ely Chamber of Commerce	\$4,428.42-SPORTS
3,875.00-Ely Aire	5,616.88-Ely Ski Club
2,833.33-Northstar Challenge	3,333.33-Ely Sled Dog Committee
2,250.00-Ely Design Team	336.96-Northwoods Nights
783.33-Historical Society	1,058.33-Profiles Color Guard
1,750.00-Canoe Derby Committee	2,166.67-Institutional Advertizing
1,125.00-Community Action Plan	875.00-Tourist Information
824.46-Technical Assistance	1,403.47-Contingency

The extension team, which would no longer be involved due to discontinued funding, reacted to the decision of the steering committee by recommending to the U.S. Forest Service the following:

- Review the original grant proposal, not the arbitrary revised one,
- Designate a minimum of \$24,000 to the Chamber of Commerce to be used for tourism marketing. The Chamber could then qualify for an additional \$20,000 grant from IRRRB. Conditions for administering this program

would be established and agreed upon with the Chamber Board, IRRRB, and U.S. Forest Service. One of the first steps would be to insist that a detailed plan be drawn up for approval by the funding sources. The plan would consist of a comprehensive advertising and promotion schedule which may or may not include some of the events and special groups. A program patterned after the Vermilion Experience could be devised and should be insisted upon.

- Designate the balance of the grant, \$19,000, to the EADC with the responsibility of developing the Community Action Plan and educational seminars. EADC would also need assistance on these projects.

Additional specific marketing related projects conducted with Ely area groups are reported in Section 3.

Tip of the Arrowhead Association Marketing Assistance

The extension team had the opportunity to assist the Tip of Arrowhead Association in a number of marketing-related areas, including: reviewing promotional informational delivery systems, developing strategies for increasing non-peak season attractions, and obtaining funding for all the programs that were undertaken. In all programs that were developed and implemented, the emphasis was on working cooperatively with the association members rather than completing programs for them, so they were better able to continue successful programs after the extension team had completed its assignment.

Improving Informational Delivery Systems

In an effort to improve the availability and accessibility of visitor information, the extension team worked closely with the "Tip" on a number of marketing-related projects. Out of this effort came:

- Siting, layout and signing of the new Grand Marais Visitor Information Center (previously discussed),
- Acquisition of a toll free phone system for the organization,
- Review of the procedures currently used to record information about tourists who visit the information center,
- Purchase of a telephone answering machine to provide 24 hour phone access to information,
- Implementation of the TRIPHONE system which includes an informational display that indicates vacancies and allows visitors to contact businesses through a two digit telephone code,

- Development of a grant proposal to IRRRB for two unmanned information kiosks to be located at the Canadian and Lake County entrances to the "Tip" region, and
- Grant funding through the U.S. Forest Service for display panels in the unmanned kiosks (\$4,000)

Improving Promotional and Informational Materials

In cooperation with the Tip advertising committee, the extension team sought to assist with the revising, redesigning and updating of the "Tip" marketing program and related promotional and informational publications. An important objective was to "modularize" the promotional materials in order to improve the organization's ability to respond selectively to requests and inquiries from potential vacationers. This was felt to be a much more cost effective approach to marketing services than distributing a single, all inclusive (and more expensive) publication to all individuals regardless of their needs or activity preferences. Thus, the strategy was to develop a core "lure" brochure which was complemented by:

- Winter and summer maps which identified business locations points of interest and activity sites (hiking, snowmobiling, etc.) and continued advertising, and
- Informational pamphlets/guides which describe in detail the opportunities for various recreational activities (skiing, stream fishing, etc.).

In accomplishing this strategy emphasis was placed on:

- Maximizing participation by the Tip membership and utilizing local artists, writers, and photographers whenever possible,
- Designing flexibility into the promotional program so it could be expanded to meet increased demand and/or to include additional efforts such as posters, post cards, calendars, road signs, etc., and
- Assuring that the promotional program that was developed was complementary and consistent with other existing programs such as Border Country, etc.

Devising Additional Marketing Strategies

Additional efforts were made to develop and modify components of the Tip's marketing program. Numerous discussions and cooperative ventures with

the Tip advertising committee produced the following:

- Developing strategies for responding to inquiries that are generated by Tip advertising and sport show attendance,
- Developing marketing strategies and special events that focus on attracting special interest groups during low occupancy periods,
- Designing and developing a promotional slide-tape program and display booth which could be utilized at travel/sport shows, media presentations, and outdoor club demonstrations,
- Designing and conducting a pilot program which focused on improving the impact, effectiveness, and return on investment associated with the attendance of tourism associations at travel/sport shows,
- Observing the operation of the Tip booth at the snow show in order to make recommendations for changing presentation techniques at future sport/travel shows, and
- Developing a new logo and slogan which would provide a cohesive image for the organization.

Additional specific marketing-related projects conducted in cooperation with Grand Marais area groups are reported in Section 3.

Lutsen Tofte Tourism Association Marketing Assistance

Working with the businesses in the Lutsen-Tofte Tourism Association (LTTA) region afforded the extension team with a unique opportunity to provide a newly formed organization with the educational and technical assistance necessary to formulate their first organizational and marketing goals and strategies. Throughout this process, the extension team worked closely with the Tofte Ranger District (U.S. Forest Service) and the Minnesota Sea Grant program, both of which made significant contributions to the success of many of the programs that were developed. As with other projects, the emphasis was on working with the organization in a manner which would facilitate them implementing such programs in the future without assistance.

Promotional and Informational Programs

The promotional goals that were cooperatively developed by the LTTA and the extension team included:

- Increase the number of visitors to the Lutsen-Tofte area during non-peak periods,
- Increase visitors' length of stay by providing better information about things to see and do,
- Develop a desire among existing clientele to return during a different season, and
- Create an image which identifies the Lutsen-Tofte area as a vacation destination with unique opportunities, facilities, and attractions.

It was decided that accomplishing these goals would require the development of a colorful "four season" lure piece that would vividly describe the recreational opportunities that are available in the Lutsen-Tofte area. This piece would be supplemented by six specific visitor information pamphlets that described in detail the availability of recreational activities such as hiking, stream fishing, and cross-country skiing. The four-season lure piece would be for general distribution to create an appealing image for the area and to spark interest for more information. The specific informational pamphlets would be used to respond to inquirers who were interested in details about a particular recreational activity and thus, were high potential conversion prospects. The decision to emphasize these publications was based on Sea Grant program research that indicated visitor dissatisfaction with the amount of information that was available (either prior to or after arriving in the Lutsen-Tofte area) and on the fact that a modular system would produce the flexibility for the promotional program that would allow it to be expanded to meet increased demand and/or to include additional efforts such as posters, post cards, calendars, road signs, etc. Providing additional information of this type was designed to capitalize on the promotional efforts of other organizations by capturing "pass through" visitors who were already familiar with and attracted to the "Northshore" area. In addition, the program was designed to be complementary and consistent with other existing programs such as Border Country, Tip of the Arrowhead Association, etc., yet capable of creating a clearly defined image that would allow the association to successfully distinguish itself as an independent association capable of promoting the recreational opportunities available in the area.

A number of other suggestions were made which would implement the new marketing program including:

- Creating a slogan and logo for the organization and its promotional materials (four seasons orientation),
- Conducting a thorough inventory of the festivals, attractions, facilities, resources, etc., that exist in the area (emphasis on Minnesota's mountains, Thomsonite gems, waterfalls, Lake Superior, access to the BWCA),

- Improving the system for distributing promotional and informational materials.
- Developing a directory of area services which could be mailed, handed out or placed in lodging units,
- Organizing a system for coordinating the distribution of visitors to those businesses with vacancies,
- Providing snow reports to newspapers and radio stations,
- Preparing news releases about significant historical, cultural, and seasonal events (Fall Color Tours, the first snowfall, the arts festival) for newspaper networks, and
- Informing the Division of Tourism about unique recreation/sightseeing opportunities that can be included in the state events calendar or on radio broadcasts.

Other Marketing Related Special Programs and Projects

Throughout the development of the components of the marketing program, a number of other programs and projects received attention. On-going discussions, meetings and brain storming sessions among LTTA, Sea Grant, Tofte Ranger District and the extension team produced:

- A seminar on personnel management which was well attended,
- A working vacation at a LTTA resort (guests stay free in exchange for cleaning, painting, etc.) which received extensive media coverage,
- Volunteer trail construction (the local businesses provided lodging and meals for the workers),
- The Northshore Nature Fair, scheduled during a low occupancy period,
- A series of business management seminars co-sponsored with Sea Grant,
- The completion and publicizing of the Northshore Mountains Ski Trail which allowed lodge to lodge skiing for the entire area,
- Assumption of the responsibility for grooming the new trail system, and
- Creation of a new sport show display for winter oriented shows.

The extension team also assisted the LTTA by providing mailing lists of prospective vacationers, lists of traveler writers, lists of outdoor oriented organizations, by arranging for publicity for events and new developments, and by obtaining grant funds of \$11,000 to help finance this exceptional effort by the organization.

The performance of the LTTA in this project was phenomenal. They accomplished all of the components in less than 18 months. Their membership increased from 3 to 38 businesses and revenues in the area increased (in contrast to many other tourism destinations in the state). The quality of the programs implemented by this organization is further testimony to their orientation, their desire to cooperate and their willingness to request and utilize educational and technical assistance.

Grand Marais Gunflint Trail Outfitters Association Marketing Assistance

While the grant proposal designed cooperatively by the extension team and the Grand Marais Gunflint Trail Outfitters Association (GMGTOA) included a number of activities, the primary emphasis was an innovation in travel/sports show presentations.

Sports shows are a traditional means of marketing for the tourism businesses and associations in Northeastern Minnesota. In some cases over 80% of the individual/associations annual promotional budget is allocated to the sports show circuit. Huge sums of money are spent attending such shows, yet there has been little (if any) attempt to identify the cost-benefit ratios that presentations produce. In addition, there is little information on which presentation style, booth design, literature display techniques, etc., is most effective.

Working with the extension team, the GMGTOA sought to address these important areas. A new market (Dallas) was identified through review of census data and economic indicators obtained from the Dallas area Chamber of Commerce and economic development organizations. Then, an innovative pilot program for sports show presentations was developed. Program components included:

- Renting a large booth (3 full spaces) in a prominent location at the Southwest Sports and Vacation Show,
- Designing an open area with a simulated campsite (donated) and canoe (donated) which allowed people to walk into the display area,
- Creating attractive backdrop with scenes from the Gunflint area, maps of the BWCA and Northeastern Minnesota (for location purposes) and a listing of special outfitting packages,

- Scheduling and announcing daily freeze dried breakfasts, lunches and dinners (which canoeist-campers typically eat) for the consumption of those visiting the booth,
- Producing a slide presentation which displayed the facilities, activities, and natural beauty of the BWCA region and showing it at the booth and at scheduled times in the Sport Show theater,
- Conducting a Wilderness Canoe Trip drawing to gather names for an evaluation survey designed to measure the effectiveness of the innovative presentation (The winner would receive a one week all-expense paid trip to the BWCA wilderness),
- Representing the specific member businesses and making reservations for those people who had decided to vacation with a GMGTOA member,
- Distributing the user education materials that had been cooperatively developed with the U.S. Forest Service, the extension team and outfitters,
- Distributing promotional materials on a selective basis (to high potential prospects) rather than indiscriminately passing out brochures,
- Conducting a canoe portaging and packing demonstration, and
- Providing a special package of GMGTOA member brochures, maps and a member directory for distribution to interested parties.

Promotional efforts designed to support the actual sports show presentation included:

- Contacting the outdoor writer at Dallas Morning News in order to generate feature articles,
- Discussing the way of packaging the vacation opportunities provided by the GMGTOA with selected Dallas travel agents and providing them with a special package of promotional materials, and
- Attending meetings of outdoor oriented groups such as the Sierra Club and the Dallas Woods and Waters Club.

The effectiveness of this pilot program in sport show presentations is being evaluated. Adjustments will be made based on the results. Additional efforts being considered by this group are:

- Produce a user education slide tape program developed in cooperation with the U.S. Forest Service,
- Organize a familiarization tour for travel agents and travel writers in cooperation with Republic Airlines, the Minnesota Division of Tourism and the extension team,

- Conduct an evaluation of the Southwest Sports and Vacation Show, in cooperation with the extension team,
- Conduct a direct mail promotional program using Dallas and Minnesota Border Country mailing lists,
- Conduct a "Shore Lunch" buffet similar to the Minnesota Arrowhead Game Dinners in conjunction with the Minnesota DNR (Invited would be members of the news media, outdoor writers, travel agents, club officers and other key individuals),
- Produce a specific "Wilderness Canoe Trips" brochure in cooperation with Republic Airlines,
- Produce a slide-show designed specifically for "Club" presentations,
- Produce a "News Media Package",
- Pre-arrange television and radio "Talk-show" appearances and interviews with outdoor and sports writers,
- Design a pre-show media campaign for insert in daily newspapers (For example, in order to maximize exposure and visibility, plan for an early advance man approach to maximize efforts of sportshow team), and
- Design a "Boundary Waters Campfire Dinner" to be used in advance of sports shows to announce the associations arrival or to promote specific events (in cooperation with freeze-dried food).

Marketing Assistance in the Lake Vermilion Area - The "Vermilion Experience" and the Tower-Soudan Information Kiosk

The communities of Cook and Tower-Soudan are service centers for the tourism industry in the west and east ends of Lake Vermilion respectively. The tourism industry is represented by the Cook Chamber of Commerce (CCC) and the Lake Vermilion Resort Association (LVRA) on the west end and the Tower-Soudan Chamber of Commerce (TSCC) on the east end. For at least the past 20 years the tourism industries in these two communities had sold the same tourism product to the same markets. The two ends of the lake had rarely joined forces, however, to attempt to combine resources and market the Lake Vermilion area in its entirety as a destination area. Rather, each end acted independently. One result had been that neither end has had the critical mass nor the resources to be competitive in today's tourism marketplace.

Through discussions among representatives from the area's three tourism organizations, the extension team and the U.S. Forest Service, consensus was reached to combine forces and apply for a community grant to launch a

marketing program which would sell Lake Vermilion as a single destination area.^{11/} A steering committee composed of representatives of the three area organizations was assembled to act as the decision-making body for this program. A part-time coordinator was hired to handle communications and clerical matters. "Vermilion '82" was the name selected by the committee for the 1982 marketing program. The program was funded by a \$33,000 grant from the U.S. Forest Service, \$22,000 in-kind and \$4,000 cash contributions from the three organizations.

Having secured funding from the U.S. Forest Service and reached general agreement among the CCC, LVRA, TSCC, U.S. Forest Service and extension team the specifics of the Lake Vermilion area marketing program were developed and implemented. The major elements were as follows:

- The "Vermilion Experience" was adopted as the campaign theme to be threaded throughout the media placements and brochure,
- A print media campaign consisting of placements in major market newspapers and special interest magazines,
- Production of a new four-color area lure piece with a one-color map and property descriptions of the 34 participating properties insert (this can be economically updated and self-liquidating through sale of advertisements which appear on one side of the insert),
- An 800 telephone number answered 24 hours per day and mail-in coupon advertising mechanism (Weekly prospect lists were supplied to the participants by the coordinator to enable additional individual firm follow-up if desired),
- Use of a professional advertising agency for brochure and ad production and ad placement (Stuart Taylor and Associates - Duluth), and
- Distribution of the brochure - accomplished through:
 - Response to inquiries generated by the advertising (a packet containing the brochure and individual brochures from each of the participating properties was sent by UPS within 24 hours of receiving the inquiry),
 - Sports shows (individual program participants would carry them to shows they were attending), and
 - Other places where travelers get information (highway information stations, State Travel Office, etc.).

An evaluation of the Vermilion '82 program indicated that it produced 2,729 inquiries. An average of 14.17 unit-weeks booked per firm (one unit rented for one full week) resulted directly from the program. That is a

total of 482 unit-weeks booked for all 34 firms. Based on previous research the extension team conducted with guests at Lake Vermilion resorts, average per party expenditures for one week were estimated to be \$761. Therefore, total expenditures by tourists who came to the Lake Vermilion area as a result of the Vermilion '82 program are estimated to be \$366,700. This \$366,700 in direct tourist expenditures generated approximately \$15,000 in state tax collections and \$2,700 in local taxes, plus approximately 10 full-time job equivalents. If the multiplier effect is considered these economic and job benefits to the area can be approximately doubled. These results are proof of what can occur when several small properties join forces in a cooperative area-wide marketing effort.

A second grant proposal was cooperatively prepared by the Vermilion '82 steering committee and the extension team for 1983. The two major elements of it were a marketing program similar to the one implemented in 1982 and an information center in Tower.

As of this writing, over twice the number of inquiries have been generated by the marketing program as were generated at the same time in 1982. Four major reasons for this are:

- Adjustments made in media placements on the basis of the 1982 experience,
- The continued development of a "Vermilion Experience" image in the market place as a result of selecting a central advertising theme and consistently weaving it throughout all communications,
- Carryover from the exposure the Lake Vermilion area received from the 1982 campaign, and
- General economic recovery.

The Tower information center consists of a new unmanned information kiosk (open 24 hours per day and funded by a grant from the Iron Range Resources Rehabilitation Board) and the adjacent refurbished railroad station which will be open in the summer session daylight hours. These facilities will provide travelers to the area needed information about things to see and do, directions and area services.

The Cook Visitor Information Center

Technical assistance funds from PL95-495 were designated for the Cook community to develop an area informational and promotional system for the Cook-Lake Vermilion area. An information center was constructed in the city in the fall and winter of 1981 and opened for visitor use from June to September of 1982.

An initial U.S. Forest Service grant of \$17,500 under the direction of the extension team was designated for architectural services to develop the information center, for site planning and site work, and for interpretive displays and area informational brochures.

An additional U.S. Forest Service grant of \$9,000 provided monies for summer student help to provide the visitor with information about the area and visitor interpretation, and to provide one-to-one assistance to the visitor about destination information. Another part of this second grant was designated for an area informational slide-tape presentation, which the visitor could view or any local group could use to promote the area.

In the center's first year, the U.S. Forest Service and Voyageur's National Park also jointly provided staff for visitor information and BWCA user permit applications at the center. Local support to this effort was provided by five resort associations and three chambers of commerce. This cooperative effort by the public and private sectors served over 3,000 registered visitors from 40 states, 15 countries, and 7 provinces of Canada in its first three months of operation (See Chapter 3 for more details).

7. SPECIAL PROJECTS AND REPORTS

During the project duration numerous questions arose concerning tourism industry management. These arose from the on-going operations of the U.S. economy, the state of Minnesota, the neighboring part of Canada, and the BWCA region and communities.

Most of these questions were in the form of needs, problems or opportunities requiring prompt attention, but usually not programmed into either the work schedule of the extension team or that of other groups. They included questions such as:

- What are the needs of tourism-related firms that assist in strengthening their operation?
- What is the possible impact of closing of Canadian customs stations in the BWCA edge?
- What is the impact of resorts selling out to the Forest Service?
- What is the impact of the closing of campsites by the Minnesota Department of Natural Resources?
- What is the feasibility of licensing outfitters?
- Is a lodging tax desirable as a means of funding community tourism promotion?

The response of the extension team to these adventitious questions and problems was to supply information to the concerned group. In some cases a systematic report was prepared. Because of the applied research work underway and access to a wide range of state and national agencies the staff was able to draw eclectically upon a wide range of information sources and bring it to bear in a meaningful way upon the issues at hand. Following is a summary of the major problems and questions addressed in this manner.

Ely Tourism Impact Report

The basic function of the Ely Area Development Council (EADC) is to promote economic development in the Ely area. In order to more accurately ascertain the importance and role of tourism in the Ely economy and to assist the EADC in informing the local residents of this, the EADC requested that the extension team make an assessment of tourism's economic impact in the Ely area. An impact report was assembled using data from the needs assessment, tourism market studies and state sales tax data.^{12/} It was directed at local residents. Following are highlights of the report.

Tourists spend about \$11.6 million annually in Ely - about one-third of all retail sales made in the area. The businesses making retail sales to tourists can be classified into three groups:

- Tourism Sales Dependent - firms making over half their sales to tourists (resorts, motels, outfitters, campgrounds, etc.). These sales total about \$6.4 million.
- Tourism Profit Dependent - firms making 20% to 50% of their sales to tourists (food stores, gas stations, restaurants, bars). About \$4.2 million in sales are made by these firms.
- Resident Sales Dependent - firms making less than 20% of their sales to tourists (general merchandise, clothing, drugs, hardware, etc.). Their total tourism income is approximately \$1 million annually.

These tourism sales support directly over 360 full-time job equivalents and, because these businesses and their employees purchase some supplies and services locally, tourism generates an estimated \$24 million annually in total economic activity in the area. Beyond this, tourism contributes to local tax and provides stability by off-setting fluctuations and income loss in other parts of the Ely economy based on mining and timber.

Each year about 100,000 tourists visit the Ely area. The approximately 36,000 resort guests constitute the largest group. They spent about \$711 per party. Canoe outfitter customers number about 28,000 and spend roughly \$397 per party. Often overlooked are the estimated 10,600 summer home occupants who account for about \$1.5 million in annual expenditures, 10,300 guests of friends and relatives who spend about \$410,000 locally, and about 56,000 pass-through visitors. Group camp guests and independent campers make up two additional types of tourists which number approximately 18,000.

The report suggests a goal of doubling real tourism income during the next ten years. Some recommended steps toward this goal are:

- Capitalize on the BWCA,
- Develop the area outside the BWCA,
- Utilize the city's advantages as a service center,
- Improve the visitors' first impression,
- Increase things to see and do,
- Offer an attractive sales package,
- Improve the availability of information,
- Target specific interests,
- Develop convention facilities,
- Expand special events, and
- Expand the season.

Accomplishing this goal will be done one step at a time. It will require a cooperative spirit among different local interests and a constant emphasis on keeping communications flowing.

The EADC is now in the process of meeting with various community groups to discuss the impact report and ways the entire community can participate in building the area's tourism appeal.

Closing of Canadian Customs Stations Near Ely

In 1981 the Canadian government proposed that the customs stations near Ely be closed. Because of the heavy dependence the canoe outfitters in the Ely area have on outfitting customers enroute to Canada via these customs stations, the Ely Outfitters Association opposed this action. The Association requested that the extension team assist them by assessing the economic impact the proposed customs stations closings would have on the industry.

The big unknown in this situation was the proportion of people who would normally go through Ely into Canada but, if the customs stations were closed, would not go into the Ely area at all. Therefore, an estimate was made of the gross receipts Ely outfitters received from customers going to Canada in 1980. Using U.S. Forest Service BWCA permit data and making some reasonable assumptions about party size, expenditures and proportion of permittees actually outfitted, direct gross receipts to outfitters from Canadian bound customers in 1980 were estimated as \$402,500. Using a multiplier of 2.0, total economic activity resulting in the Ely area was estimated as \$805,000.

This information was provided to the Ely Outfitters Association and the Minnesota congressional delegation. The issue was finally resolved and the customs stations remained opened.

Implications of the Resort and Outfitting Business Sell-out in the Ely Area

Section 5 of PL95-495 requires that the USFS purchase certain resorts and outfitting businesses in the BWCA vicinity at the request of the owners. There are 19 such businesses in the Ely area. To assist in assembling an Environmental Impact Assessment required by law, the Kawishiwi Ranger District, Superior National Forest, requested the extension team to assess the economic impact of the purchase of these 19 businesses. A report addressing this subject was issued in May, 1981.¹³ It was based on data collected in the Needs Assessment and guest studies.

Study findings indicate that these 19 businesses represent a significant share of the resort/outfitting industry in the Ely area:

- 39% of the lodging capacity,
- 16% of the rental canoes,
- 53% of the rental boats,
- 52% of the industry employees,
- 29% of the gross receipts and real estate taxes,
- 31% of other industry paid taxes,
- 45% of the payroll, and
- 28% of the promotional/advertising expenditures made by individual resorts and outfitters.

If all of them ceased operations, there would be a significant decrease in jobs, profits, tax base and the public's ability to access the surrounding woods and waters. The total economic activity occurring in 1981 in the Ely area as a result of these businesses was estimated to be \$6.2 million based on direct tourist sales of \$2.8 million. No accurate a priori estimate can be made regarding the extent to which the remaining firms would replace the lost capacity and business, but the high degree of consumer loyalty and heavy capital investment required suggest the proportion would be small, at least in the short run. Negative impacts could be offset somewhat after purchase if the firms were then somehow allowed to return to commercial operation.

Because of the diversity in scale and operation of the 19 firms, the implications of the purchase of only a portion of them must be treated on a case-by-case basis. However, it can generally be stated that the loss of each one chips away at the already dwindling critical mass of the area's tourism industry. This attrition results in: higher costs for remaining firms; fewer and less diverse accommodation and service choices for visitors; lower area retail sales; lower tax collections; fewer jobs; less market exposure for remaining firms; and increased costs for the U.S. Forest Service.

The report was submitted to the Forest Service in May, 1981. It was used to assist in assembling the Environmental Impact Assessment. As of this writing, five of the 19 businesses have been sold to the U.S. Forest Service; several others are in the appraisal process. There are signs some of the lost capacity may be replaced by new construction. It is too early, however, to determine the extent of this replacement.

Estimated Economic Impacts of a Ten Percent Reduction in BWCA Entry Permits During 1981

Due to funding constraints in 1981, the Minnesota Department of Natural Resources was faced with the possibility of not being able to maintain several campsites on lands under their jurisdiction within the BWCA. In response to this possibility, the U.S. Forest Service proposed that it may become necessary to reduce the number of BWCA entry permits in 1981 by 10 percent. The Governor's Citizen Advisory Task Force on the BWCA requested that the extension team estimate the economic impact this would have on BWCA vicinity businesses should it become policy.

A report on this matter was issued in February, 1981, based on data from the Needs Assessment and a series of reasonable assumptions.^{14/} The most important assumption was that a 10 percent reduction in available BWCA permits would translate into reduced business only on the weekends of the three major summer holidays: Memorial Day, July 4, and Labor Day. This was because, from a firm's operating perspective, it is only at these times that the BWCA entry quota is most typically a constraint.

The economic impacts were estimated as: \$703,000 reduced sales; \$28,000 reduced sales tax receipts; 27 fewer full-time job equivalents.

The report was submitted to the Task Force which in turn met with state and U.S. Forest Service officials to present arguments against the 10 percent reduction. Means for campsite maintenance were found and the permit quota was not reduced.

Outfitter Licensing Study

During the fall of 1980, the extension team was asked by the Ely Outfitters Association (EOA) to study the question of licensing canoe outfitters. The primary genesis for the request came from outfitters who felt that some control was needed to reduce or eliminate fly-by-night outfitting and outfitting from out-of-state interests who impinge on the resource and contribute little back to the community. A study was then initiated to:

- Obtain examples of outfitter licensing systems now in place elsewhere and present this information to outfitter associations, and
- Determine if, in fact, licensing was desired by a majority of BWCA outfitters and, if licensing was instituted, what would be an acceptable fee structure, who should control or manage licensing and what other conditions such as outfitter, guide and user education should be required?

Information about existing outfitter licensing was obtained from several western states involved with the Western Outfitters Association. This information was summarized and given to Minnesota outfitters.

A meeting with the EOA with guests from Crane Lake and the Gunflint Trail present was conducted. This was a general discussion of the topic with views of both pro and anti-licensing presented.

An opinion poll with detailed questions was administered by mail to members of the EOA with one follow-up to non-respondents. Sixteen outfitters (40%) responded to the questionnaire. The results were summarized and distributed to the outfitters.^{15/}

By a ratio of 10 to 6, the outfitters who responded rejected the idea of licensing. This in effect, demonstrated that it was a small, but vocal, group who favored the idea. The information generated may prove useful to the outfitting industry if the question surfaces again in the future.

The posture of the extension team during the study was one of neutrality. All correspondence and cover letters included with the opinion poll stated clearly that the extension team neither favored nor was opposed to licensing. Rather the extension team's action was to gather information for the outfitters to use in their decision-making. The EOA did not pursue instituting a licensing requirement.

The Feasibility of Area Promotional Funds From Tax Levies

Nearly all communities that operate area promotional programs experience difficulty in raising funds for that purpose. The Ely Chamber of Commerce speculated that it might be possible to raise necessary money through a tax levy.

In a series of meetings and other communications with Ely Chamber officials and a pooling of informative sources the following information and considerations were brought forward:

- Several Minnesota communities now use lodging taxes and/or retail sales taxes to raise funds for tourism promotion, tourism development and convention sales. The Minnesota statutes currently did not allow local retail sales tax levies for this purpose.
- Nevada is reported to have one of the best state statutes enabling local communities to set up lodging taxes. Special tax levies for tourism promotion also operate in Missouri.
- In addition to lodging and sales taxes, a levy on outfitting sales and/or on launching owner watercraft was considered.
- A number of philosophic positions on the question were considered: a lodging tax would place the ultimate cost on the tourist and would include all lodging firms in a non-voluntary program; taxes would add to bureaucratic requirements of businesses; earmarked taxes are not favored by many; often lodging taxes simply go into general revenue.
- Specific legislation would be required to institute such a tax.

Promotional funding needs still exist, but currently no specific action has been taken to set up a tax or other program in addition to funding support by Chamber of Commerce members. The search for dependable community promotional funds will almost certainly continue. At its next stage it can build upon insights gained in this investigation.

8. APPLIED RESEARCH-AN OBJECTIVE GUIDE TO TOURISM MANAGEMENT

Lack of accurate, objective information about tourism often imposes serious limits upon the industry's optimum development. The deficiency exists for a number of reasons: recent recognition of tourism as a major economic component has not allowed time to develop needed data systems; tourism crosscuts a wide range of business types, as ordinarily defined, thus the assembly of accurate data is more difficult than for many industries; and many studies of tourism have examined only parts of the phenomenon, they do not yield data needed for comprehensive understanding.

The University's major charter is the management of information. This includes the generation of data, its analysis and the teaching of principles and their means of application. While other agencies can and do conduct research, the University's credibility in this area and its relative objectivity give it a distinct advantage.

Applied research has two major advantages in such a setting. First it is a means of using the University's competence to get needed information to guide decision-making in tourism industry development. Secondly, data gathering provides a starting point in which concerned community elements can participate constructively. Most can also contribute insights to the analysis. Having worked together on assembling information, a basis then exists for cooperative effort on other projects. Among the major needs for information are to:

- Serve as a guide for development and marketing effort,
- Provide impact data about the role, structure and scope of the tourism industry,
- Provide benchmark observations for measuring progress, and
- Evaluate results of marketing and other specific efforts.

The eight research projects reported below all deal mainly with marketing. In addition, an integral part of these investigations included gaining a systematic, comprehensive view of the tourism industry and its components. This made possible reports such as Ely's Tourism Impact, in the section "Special Projects."

Overall Market Study of Current Guests

A major thrust of the applied research program involved an investigation of the current tourists vacationing in the BWCA vicinity. Nowhere did there exist a current, reliable and comprehensive data base on who vacationed in the area, why they chose northeastern Minnesota, their likes and dislikes, expenditures, vacation activities, etc. The overall objective of this

phase of the research program was to assemble baseline data such as this on the area's current vacationers, and to get this information used in decision-making at the firm and area levels, particularly in marketing and facility/services development. Many of the subprojects described elsewhere in this report, especially those related to marketing and economic impact analysis, drew on data developed through this research.

Because there are many different kinds of tourists in the BWCA vicinity, no single research design would adequately include all of them; nor would the same instrument be applicable to all. For these reasons a multiphased approach was taken wherein each of the major tourist populations was treated separately. Each phase is described below.

Resort Guests

The resort guest survey consisted of mailed questionnaires sent to 1,912 individuals whose names were systematically selected from the 1980 guest registers of 25 resorts in the BWCA vicinity. The 25 resorts were purposefully selected to provide a representation of the entire area with respect to size, location and firm type (resort or resort/outfitting combination). Of the 1,824 deliverable questionnaires, 1,395 (76.5%) were returned after three follow-up contacts.

The 10-paged questionnaire collected information on: characteristics of the last Northeast Minnesota vacation trip, expenditures, information sources used to find out about the area, resort facility evaluation, vacation activities, reasons for vacationing, evaluation of area services and features, and socio-economic characteristics of respondents and their parties. The major goals were to characterize the BWCA vicinity resort guests by the above variables and to work with resort operators and their associations in using this information to make marketing and facility/service development decisions.

Summaries of the questionnaire responses were prepared for all 25 resorts grouped together, the resorts in each of the resort communities (Crane Lake, Ely, Grand Marais and Lake Vermilion), and for each of the 25 resorts individually.^{16/} The overall report and the four community reports were distributed widely by mail and personal contact to resorters, associations, advertising agencies and others who could potentially benefit from the information they contained. The information was used to help formulate area marketing and development programs.

Each of the 25 individual resort reports was treated confidentially and shared only with the respective resort owner. After mailing an individual resort report to a resorter, an extension team member followed up with a personal visit to discuss the results and assist with finding ways to apply them to individual resorts. This sometimes led to more detailed, tailored analysis for a specific resort.

Following are a few of the highlights from the resort guest survey:

- Geographic markets: Minnesota - 49%; Illinois - 21%; Indiana, Iowa and Wisconsin - 5 to 6% each,
- About 85% were repeat customers,
- Resort guests spent about \$15 million in 1980 in the area (average per party expenditure was \$789),
- The most frequently used information sources were: friends and relatives 46%; resorts/outfitters 28%; Chamber of Commerce 10%; sports shows 12%,
- Resort guests, particularly first timers, want more to see and do (This is particularly true relative to activities for children),
- Fishing, observing nature, taking pictures, socializing with people, and motor boating were the five most popular vacation activities overall: However, some individual communities and resorts departed sharply from this overall activities profile,
- About 40% decided to vacation in Northeastern Minnesota within three months of their trip (About one-fourth decided as much as a year in advance),
- About 40% entered the BWCA: 15% of these spent one or more nights there,
- Resort guests tend to have higher incomes, be better educated and have higher proportions of professional/technical and manager/administrative occupations than the general population, and
- There are distinct differences among resort guests in different communities and from one resort to another. Important differences also exist between first timers and repeaters. Knowledge of these differences can be useful in attracting more first time visitors.

Additional work is needed to produce bulletins, fact sheets and other published material to continue to get these research results put to productive use by resorters and associations. A publication interpreting the resort guest research and suggesting ways for resorters and associations is currently being prepared.

Many challenging questions have also been raised by this research which require further investigation. The role of sport shows in the marketing mix is an example. The best approach to full advertising is another. Hopefully, more insight into these important aspects of resort marketing will be gained in the future.

Canoe Outfitter Guests

People who use the commercial canoe outfitters in the BWCA vicinity constitute another major component of the area's tourist population. To assemble information on this segment, the same survey instrument used for resort guests (it contained a special section of questions about canoe outfitting services) was sent to a sample of 978 individuals who had used 23 BWCA vicinity canoe outfitters in 1980. Names of these individuals were selected from the 1980 BWCA user permit records maintained by the U.S. Forest Service. Respondents were associated with particular outfitters through the permit issuer/cooperator numbers which appear on each permit. An attempt was made to design the sample so that respondents from each outfitter were represented in the same proportion as in the overall population of commercially outfitted BWCA users. Seventy-seven percent of the 945 deliverable questionnaires were returned.

As indicated, the instrument and the major goals of the canoe outfitter survey were the same as for the resort guest survey. The report formats were also the same - response summaries for all respondents grouped together, one for each of the two major outfitting communities (Ely and Grand Marais) and an individual report for each outfitter for whom there were responses from at least 20 customers. The reports were circulated in the same fashion as the resort reports. Although some follow-up was done in meetings with canoe outfitters, other time demands on staff prevented meeting with individual outfitters as had been done with resorters.

Among the highlights of findings are:

- Geographic markets- Minnesota 51%; Illinois - 19%; Iowa, Wisconsin and Indiana - 3 to 4% each,
- Forty-two percent decided to vacation in the BWCA vicinity within three months of going,
- Average party characteristics: size - 5 people; number of days in area - 8; expenditures - \$357,
- Four most frequently used sources of information about the area before arrival: resort or outfitter - 41%; friends or family - 39%; U.S. Forest Service - 16%; sport shows - 15%,
- Most popular activities were: camping in the BWCA; observing nature; canoeing; fishing; taking pictures,
- Outfitted population contained higher proportions of professional/technical occupations and students than general population and the resort population,
- Outfitted population is younger, has more education and lower household income than resort population, and

- Differences among respondents at different outfitters and communities are not as dramatic as with resort respondents.

Comments on needed follow-up are included in the section on Non-outfitted BWCA Uses.

Non-outfitted BWCA Users

A third component of the area's tourist population is made up of those who use the BWCA but do not utilize the commercial outfitting facilities. A sample of these people was drawn from Forest Service BWCA permit records the same as for outfitted individuals. Out of the 483 questionnaires mailed, 368 were returned (77% of the deliverable questionnaires) after three follow-ups.

A summary report was prepared for this population in the same format as for resorts and commercial canoe outfitters. Some of the highlights are:

- Most non-outfitted users are from Minnesota (87%),
- The average non-outfitted party differs in many ways from the outfitted party:
 - They stay in the area longer (ten days vs. eight days for outfitted parties),
 - Parties are smaller (four vs. five people),
 - Non-outfitted parties are nearly twice as likely to be families (60% vs. 35%),
 - They have slightly lower incomes,
 - Expenditures per party are about \$100 less (\$254 vs. \$357, But non-outfitted canoeist do spend money. Total non-outfitted party expenditures in the area were approximately \$4.8 million),
 - Non-outfitted parties have more experience in the area (16 previous trips there vs. 8), and
 - Non-outfitted parties have a more limited range of information sources about the area and are twice as likely to use the U.S. Forest Service for information (30% vs. 16%).

These and other differences between non-outfitted and commercially outfitted canoe parties present challenges for both public sector forest managers and private entrepreneurs. For the forest manager and policymaker,

the critical question is: "Does what they know about the BWCA user adequately reflect the preferences and use patterns of outfitted users; or is it based primarily on analyses and interactions with non-outfitted users?"

The challenge for the commercial outfitter is in recognizing that today's outfitting market mix may not be tomorrow's. As people gain more experience in the BWCA, they have less of a tendency to use outfitters. Retaining many current customers may require that outfitters do more partial outfitting and offer additional services. The same may be true if outfitters want to capture a share of today's non-outfitted market. These suggestions are reinforced by the observation that the growth of outfitting was spurred to a great extent by a combination of the sheer size of the baby boom generation which began reaching early adulthood in the late '60's and 70's and the environmental movement. Approximately 41% of both outfitted and non-outfitted BWCA permit holders were between the ages of 25 and 34 (Baby boomers) in 1980. As these users age, form families, and earn higher incomes, will their outfitting tastes and preferences change? If so, how can outfitters accomodate them? The following four facts suggest these questions should be given careful thought by outfitters:

- Nearly one-half (41%) the current market is at stake,
- Between 1980 and 1990 the number of people in the U.S. between the ages of 25 and 34 will grow by 13.5%,
- During the same period, the number of people between the ages of 35 and 44 will grow by 42.4%, and
- As a general rule, people's preferences, activities and tastes change as they get older.

A closer look should be taken at the outfitter and non-outfitter data with a focus on this issue and on the differences between outfitted and non-outfitted BWCA users. Publications need to be prepared to further disseminate this information to canoe outfitters and resort/outfitting businesses.

Tip of the Arrow Association Summer and Winter Guest Surveys

Like many other tourism associations in northeastern Minnesota, the "Tip" was interested in how people learned about vacation opportunities in their region and how satisfied existing clientele were with their vacation experiences. At the extension team's suggestion, a survey was cooperatively developed by the team and the "Tip" advertising committee. It was designed to gather information that would assist the "Tip" membership in gaining a better understanding of the characteristics, preferences and levels of

satisfaction of their current guests. In addition, the project offered the "TIP" membership an opportunity to actively participate in a cooperative project.

A fourteen-question survey was developed and distributed to the Tip member businesses by the advertising committee. Respondents (guests) were able to drop off the completed surveys when checking out (in special collection boxes) or mail them (postage pre-paid) to the extension team. All of the participating member businesses were given specific instructions, both in person (advertising committee) and by mail (extension team) including:

- Distribute one survey per vacation party,
- Record the number of surveys distributed,
- Collect as many surveys as possible (to reduce mailing costs) from guests before they departed, and
- Return all unused surveys to the extension team.

Three important educational objectives were part of this project. The first was to involve the membership in the research project so they would be able to conduct them in the future. The second was to provide individual businesses with feedback from their own guests. The third was to use the combined (all participating businesses) results to describe the overall situation in the Tip of the Arrowhead Region. In either case, the survey results could be used to make marketing and development decisions which formerly had been based more on tradition and hunch than on information.

Completed surveys were collected from 524 summer and 76 winter guests. Individual businesses received personalized and confidential reports on how their guests responded to the survey.

An evaluation of the overall results for the "Tip" region was not prepared except for overall totals of the frequency of responses, because a statistically representative sample could not be assured. This situation resulted because of uneven handling of the questionnaires by the several businesses. This frequently occurs when there is voluntary distribution of questionnaires by untrained people. While the overall participation rate was good, (51% summer, 50% winter) the variation in number of surveys completed for each of the participating businesses was substantial, ranging from 115 to 1. These factors dictated that statistical techniques and weighted average systems would have to be applied in order to project all of the information collected in the surveys to the entire "Tip" region. Such effort was beyond the intended scope of this project, but may be completed in the near future as part of a graduate study program.

The primary outcome of this project was the provision of important information about clientele preferences to individual businesses. And despite concerns about statistical validity, some of the combined information

from all participating businesses will be useful as baseline data for future data gathering and/or considerations for future marketing decisions.

Some of the findings that are immediately useful include:

- Vacation plans are made either well in advance or "spur of the moment" (32% more than 6 months, 21% one month),
- Guests are generally satisfied with the services provided by "Tip" businesses (only prices/rates and variety of activities were rated excellent by less than 50% of those surveyed),
- Vacation expectations were met (95%),
- Friends and family were the principal sources of information for first time visitors (48%),
- Friends and family (26%) and previous experience in the area (43%) were the most influential in the 1981 summer vacation decision,
- 84% of the respondents had not attended a sports show in the past twelve months, and
- 95% of the respondents would probably (29%) or definitely (66%) vacation in the area again.

Winter Survey Highlights include:

- Guests are generally satisfied with the services provided by "Tip" business (only prices/rates and variety of activities were rated excellent by less than 50% of those surveyed),
- Vacation expectations were met (97%),
- Friends and family were the principal source of information for first time visitors (45%),
- Friends and family (16%) and previous experience in the area (57%) were the most influential in the 1982 winter vacation decisions,
- 79% of those surveyed had not attended a sport or travel show in the past 12 months,
- 100% indicated they would probably (14%) or definitely (86%) vacation in the area again, and
- 57% of the respondents had annual family incomes in excess of \$25,000.

Research of Market Potential

A major thrust of the market research program was to assemble a data base on the market potential in the midwest for BWCA vicinity vacations and to recommend marketing strategies to realize this potential. This was accomplished through telephone interviews with 750 randomly selected households in the Chicago metropolitan area and 250 households each in Des Moines, Indianapolis, Kansas City and Springfield. All households were screened so that interviews were conducted only if at least one adult member had taken a vacation of at least 500 miles within the past three years. This research was contracted out to a private market research firm working closely with the extension team.17, 18/

Market potential of the population in the various cities was looked at in a number of ways. One way was to simply ask the question: "How likely do you think it is that you, yourself, will vacation in Northern Minnesota sometime in the next year or two ... very likely, somewhat, not too, or not at all likely?" Responses to this question indicated the highest percent of likely visitors to be in Des Moines:

CITY	Percent Very or Somewhat Likely to Visit Northern Minnesota
Des Moines	49%
Chicago	35%
Springfield	30%
Kansas City	29%
Indianapolis	25%

Converting these percentages to absolute numbers using a standard marketing formula (100 percent of those answering very likely plus 50% of those answering somewhat likely) resulted in Chicago having the highest potential:

CITY	Number of Likely Households
Chicago	223,500
Kansas City	54,400
Indianapolis	49,000
Des Moines	36,000
Springfield	11,400

Another approach taken to estimate market potential was to create a market potential measure. The market potential measure consisted of combining each respondent's score on six variables relevant to vacationing in northeastern Minnesota according to the following:

EXPRESSED LIKELIHOOD

The respondent was scored 2 if he/she was "very likely to vacation in Northern Minnesota during the next couple of years. A score of 1 was given to those "somewhat likely. All other respondents were scored 0.

VACATION FREQUENCY	The respondent was scored 1 if he/she had taken four or more long vacation trips during the past three years.
TRIP DISTANCE	The respondent was scored 1 if he/she had taken a 1000 mile or longer trip by private vehicle during the past three years.
PAST VACATIONING	The respondent was scored 1 if he/she had vacationed in Northern Minnesota within the past five years. All other respondents were scored 0.
FRIENDS/RELATIVES	The respondent was scored 1 if he/she knew of friends and/or relatives who had vacationed in Northern Minnesota.
RECREATION ACTIVITIES	The respondent was scored 2 if he/she had included more than two of the following recreational activities in vacations planned during the past three years: fishing, canoeing, motor boating/water skiing or hiking. A score of 1 was given to respondents who included two of the four activities. All other respondents were scored 0. The Chicago measure did not include the recreation activity variable.

Results of this approach showed Des Moines to again have the highest potential. Taking into consideration these market potential measures and other relevant factors such as the absolute number of high potential households and distance from northern Minnesota, Chicago was recommended as the top out-of-state geographic market with Des Moines second. The other markets should be targeted only after these two cities are covered.

Comparison of the characteristics and preferences of high potential northern Minnesota vacationers with low potential ones, and past Northern Minnesota vacationers with those who have not vacationed there, provides guidelines for describing an array of target market segments (non-geographic) and marketing strategies. Results show that generally speaking the best targets are males under 65 with large households and family incomes over \$10,000.

The traditional outdoors type vacationer continues to be a prime target. Past and likely future northern Minnesota vacationers were far more likely to engage in outdoor activities such as fishing and canoeing than their counter-parts.

A closely related segment consists of those vacationers who go to environments similar to Minnesota's (Wiscossin, Michggan, Canada and Alaska). With a predisposition to a Minnesota-like environment and activity array, these vacationers also represent prime targets.

Another good target market segment indicated were vacationers who are attracted to natural environments and historical sites but who do not necessarily fish or canoe. Visiting natural and historical areas was the most popular activity among both past northern Minnesota vacationers and those who had not vacationed there. Given this demand and the abundance of these appeals in northern Minnesota, this appears to be a good market growth segment for the area.

A fourth market segment identified by this research is the group whose last vacation was in the sunbelt, but who at some time in the past came to Minnesota or similar destinations. Since this group is quite large, attracting only a small portion of them would represent a substantial amount of business.

The documents reporting this research provide the detailed information necessary to estimate the size of these various target markets and to suggest successful marketing strategies for each. The reports were widely circulated in northeastern Minnesota and served as the basis for presentations to area tourism groups and consultations with individual operators. The relevant decision-makers involved with the marketing-oriented community grants were also given these results. These included government agency staffs, tourism associations and advertising/marketing firms.

Sports Show Research

Sport and travel shows are one of the most commonly used marketing methods in the Northeast Minnesota tourism industry. Individual firms and associations regularly allocate major expenditures of dollars and personal time toward them. Yet little is known about the effectiveness of sport and travel shows as a marketing method. Market research conducted as part of the BWCA project indicated that only 12 percent of the resort guests had obtained information through these shows, and only 4 percent said they were the most important information source.

In view of these facts, the extension team sought the cooperation of tourism firms and associations to conduct a sport and travel show study. During the period from fall 1981-spring 1982 several individual firms and associations collected names and addresses of sport and travel show attendees. Three methods of collecting names were used: registration for free vacations, registering to receive area vacation information and completion of a very brief questionnaire about attendee's vacation travel and reasons for attending sport and travel shows. Names were collected at seven different sport and travel shows.

With sport show attendee names in hand, the extension team submitted a proposal to the Minnesota Arrowhead Association to fund a survey. The specific objectives of this survey were to:

- Determine what proportion of sport show attendees contacted at selected shows during the winter of 1981-82 vacationed in Northeastern Minnesota and other destinations the following season,
- Determine why consumers attend sport shows and what influence shows have on consumers in making vacation plans,
- Identify the elements and techniques used by vacation providers at sport shows which consumers find most useful and persuasive in their vacation planning, and
- Determine demographic and other characteristics of consumers attending sport shows.

Funding in the amount of \$5,700 was approved. A report of fundings was submitted to the Minnesota Arrowhead Association.^{19/}

Research Into Second Home/Recreational Properties and Their User's Recreational Patterns

Second homes have been described as the "great unwatched" in Minnesota. This proved true in the BWCA region; at no point did systematic, comprehensive understanding of second homes appear to exist. For this reason estimates made of second home user impacts relied mainly on "guestimates" by knowledgeable local officials.

Fortunately comprehensive data about second homes and recreational properties is reasonably available. All northeastern Minnesota counties now have computerized their tax rolls and this category is classified separately. At this time complete printouts of this group of owners in Lake and Cook counties have been obtained and analyzed. In addition, for those owning property on the North Shore, a random sample has been contacted by telephone survey to learn more about their use of property.

Those people who own second homes in this region selected that location primarily because of its outstanding natural qualities. This information comes through particularly from out-of-state owners. Many of these individuals could have owned recreational property elsewhere had they been attracted to it.

The number of second homes and recreational property owners is much larger than previously thought. There are 3,280 non-county residents owning this kind of property in Cook and Lake Counties. While all may not be usable second homes, there are about 1,900 properties with buildings.

The total area thus held is over 37,000 acres having an assessed market value of more than \$85 million. Tax revenue alone from this source to the two counties is over \$1.5 million. (Note: Estimates made before the above data were available placed BWCA region second home properties at about 1,000. St. Louis county data are not yet available, but it appears that a more accurate figure would be in the range of 1,500 to 2,000 second homes. Thus earlier estimates fall substantially short.)

In the BWCA region, second homes are a major recreational use factor. They are also a major economic impact factor. The level of use and their continuing expansion in numbers suggests need for systematic policies toward this component of the region's tourism.

Research Into the Current BWCA Vicinity Hotel and Motel Guest Market

The Needs Assessment and early market research efforts focused upon "waters edge" firms, primarily resorts, outfitters and group camps. Only general estimates were made for other BWCA tourism impacts and markets. It was recognized that urban-based hotels and motels host an important area tourism segment. Understanding this market impact and its characteristics is essential to full comprehension of the BWCA region tourism industry.

In 1980 a comprehensive market segmentation study of the North Shore's tourism began. This project greatly expands the knowledge of northeastern Minnesota tourism in geographic area as well as in depth of understanding. Along with a comprehensive market survey of all Lake and Cook County facilities on the North Shore, motels in Cook (city), Tower and Ely were included. This survey covers an entire 12 month's period. In addition to securing travel pattern information about these area guests, estimates are made of their economic impact, their socio-economic characteristics and their recreational experiences in the area.

Eighty-three hundred parties used Cook/Tower/Ely motels. They spent \$2.65 million (In Ely impact estimates about \$2 million of this is counted as spending by "outfitter" customers -- the largest single item of area expenditures by the motel guests was for outfitting!). These guests made almost 80 percent of all their expenditures in the three summer months.

Data for Cook County North Shore facilities will be published as a separate North Shore market segmentation study. For all facilities together there were 58,200 party-trips accounting for spending of \$14.7 million in all of northeastern Minnesota, including expenditures on the North Shore in Lake County.

Numerous new insights concerning the characteristics of these guests have been gained. They overwhelmingly come for "recreational purposes" just as do resort guests, and are especially attracted by the high quality natural resources. These insights and other will assist the further management of the area's tourism resources and industry.

9. BUILDING COMMUNICATION NETWORKS & PROVIDING EDUCATIONAL/TECHNICAL ASSISTANCE TO GROUPS

The many groups, organizations and individuals operating in the BWCA vicinity represent a diverse array of perspectives and roles concerning the management and use of the area. At times these various interests are in conflict with one another. The controversy surrounding the BWCA for at least the past 60 years attests to this.

Yet each interest has an important and legitimate role to play in addressing the area's problems. Productive steps toward accomplishing the major objective of Section 19-b in PL95-495, "to improve economic opportunities for tourism and recreation-related businesses in a manner which is complementary to the management of the wilderness", are much more likely if there is good communication among these diverse interests. Communication fosters areas of understanding and agreement in conflict situations. It can help turn a zero sum situation into one where all parties can gain.

A major program objective of the extension team, therefore, was to build communications and information flow among these varied parties. Examples of these types of groups are:

- Governor's Citizens' Advisory Task Force on the BWCA.
- Minnesota Arrowhead Association.
- Arrowhead Regional Development Commission.
- BWCA region Chambers of Commerce and tourism associations.
- Citizens' Committee on Voyageurs National Park.
- Environmental interest groups - Sierra Club, Friends of the Boundary Waters Wilderness, etc.
- Trail user groups - Northstar Ski Club, Rovers, etc.
- Resource agencies - U.S. Forest Service, Minnesota Dept. of Natural Resources, etc.
- City Councils.
- Minnesota Congressional delegation.
- State legislators.
- County commissioners.
- Community tourism groups - Sled Dog Committee, SPORTS, etc.

- BWCA region and Twin Cities media - TV, radio, newspaper, etc.
- BWCA Advisory Council - community leaders and tourism business operators.

Building communications networks and stimulating information flow among these parties and others was threaded throughout all program activities. The specific form it took was as varied as the groups themselves. It included appearing on formal meeting agendas, informal conversations, specially arranged meetings to discuss specific issues, newsletters and other mailings and making presentations at industry and professional meetings. The basic approach included: acting as a source of reliable information on specific BWCA vicinity-related issues; assisting in clarifying, interpreting and understanding issues; putting the various parties in touch with each other; helping them identify and clarify roles and actions; and assisting with implementation of actions where appropriate. Although much of the value of this activity is difficult to isolate, the positive outcomes of many of the overall Educational and Technical Assistance Program components are largely as a result of these efforts. Two examples serve to illustrate this activity:

- BWCA User Education Program - Working cooperatively with the U.S. Forest Service and area canoe outfitters, an educational brochure targeted on BWCA users was developed. The purpose of the brochure was to provide BWCA users with some basic guidance regarding how to use the wilderness without degrading the natural resource base. Although the final product had some shortcomings in design, layout, tone, and content, it represents a start on a large scale program to educate BWCA users so that they don't kill the goose that lays the golden egg.
- The Friends of the Boundary Waters Wilderness - is an environmental group having as a major goal the protection of the wilderness environment found in the BWCA. Traditionally, there has existed a degree of antagonism between the Friends and the local commercial tourism businesses around the BWCA. Through extension team discussions with the Friends of the Boundary Waters staff and northeastern Minnesota tourism associations, an agreement was formulated whereby the Friends carry copy in their quarterly newsletter about the availability of resort and outfitting services in the area.^{20/} Also included were the names, addresses and phone numbers of the area's Chambers of Commerce and other tourism-related associations. The Friends now regularly devote some space in their newsletter to this topic. This is an indication of increased cooperation and understanding among previously highly polarized groups.

Very closely related to the above described efforts to build communications networks and stimulate information flows among various parties having an active interest in the BWCA vicinity, were the meetings held with groups to further other specific educational/technical assistance goals. On at least 342 identifiable occasions, extension team members met with groups

that involved or related to the BWCA economic community. (Table 1). These meetings varied in intensity or scope from an extended two-day learning experience for 24 key community leaders who were taken to communities in Wisconsin, to committee meetings on specific project activities that may have involved as few as three or four local people. Meeting content varied from giving guidance on specific projects or procedures to seminars and workshops on in-depth topics such as brochure development and business management.

For summary purposes the meetings have been grouped into five categories. Table 1 indicates the general nature of the groups, the number of occasions of meeting with those groups and the number of extension staff that met with those groups singly or collectively. Team participation at meetings varied with content and situation but averaged about two staff per meeting which adds to nearly 700 exposures of the team individuals.

The scope of educational programs included business management concerns such as product pricing, record keeping and physical plant development. Information was transmitted on sewage treatment and disposal and new or improved food service development. Many meetings were conducted to transmit information on marketing and market development. These included in-house guest analysis, community marketing techniques, brochure development, media program development and marketing through travel agents using tour packaging. Other meetings involved community development for tourism including community facilities and design, community image enhancement, attitudes toward visitors and more. The meetings were a response to the needs assessment, the result of research accomplished and the concerns of local people articulated during the course of the project. Many of these meetings were specifically conducted to provide educational and technical assistance to groups of facility operators, community representatives or operational and advisory groups. Some were to report research findings and the unique features of the educational and technical assistance program to the broader profession. Still other meetings were to coordinate the total effort with support systems including the U.S. Forest Service, the extension team and consultants employed for specific projects. The key to this project's success - and sometimes weaknesses - was communications. To coordinate the multi-facet programs required continuous flows of information between three principal offices, occasional staff participants and, most importantly, the clientele groups involved in the program.

To facilitate information flows, both the group meetings indicated in the table attached to this section and one-on-one contact among extension team members by telephone or personal consultation became standard operating procedure. Hardly a work day (or week-end day for that matter) was complete without some contact between team members. The result of such coordination was the development of a total team approach, both within the Agricultural Extension Service and with other structures relating to the project.

Where a communication linkage did not exist, it became necessary to construct a system. Early on in the project it became apparent that some means was needed to communicate with community leaders in the several

TABLE I - Educational/Technical Assistance Coordination-Group Situations.

Organization/Structure Met With and/or Meeting Topic	Number of Occasions	Number of Staff Involved
- Enterprise Groups-(Resort, Outfitter, Motel Community Businesses) - Brochure and Marketing Development - Package Tours Demonstration Program - Ash River Resort Seminar - Recreational Concepts Program - Needs Assessment Development - Ely Outfitters-Licensing - Computer Workshops - Lutsen Group (Sea Grant Ext. organized) - State Resort Seminar (Marketing/Pricing) - Governor's Tourism Conference (Marketing/Brochures)	65	14
- Market Research Associations - Tip of the Arrow Association - Lutsen Tofte Tourism Association - Ely Area Development Council - Lake Vermilion Association - Vermilion '82 Steering Committee - Ely Chamber of Commerce - Ely Design Group - Gunflint Trail Outfitters Assoc. - Minnesota Arrowhead Association - Grand Marais-Lions Club - Tower-Soudan Chamber of Commerce - Orr Chamber of Commerce - Crane Lake Commercial Club - Cook Chamber of Commerce	111	11
- Advisory Groups - Grand Marais - Info. Center - Tower - Information Kiosk - Cook - Information Center - AES Advisory Group - BWCA Project - Governor's Citizen's Advisory Task Force on the BWCA - VNP Advisory Committee - Border Country	93	11

Organization/Structure Met With And/Or Meeting Topic	Number of Occasions	Number of Staff Involved
Bureaucracy/Agency	73	11
USFS-BWCA Management Plaa, Community Grants		
Advertising Agencies		
Institute of Agriculture Advisor Council		
CRD Staff Coordinating		
BWCA Staff Coordinating Meetings		
Minnesota Department of Natural Resources		
Professionals-at-Large		
Travel and Tourism Research Assoc.		
National Recreation and Parks Assoc.		
TOTAL	342	Individual 20 Staff

Extension Staff Members Involved in the Total Project:

Dr. Uel Blank - Overall Program Leader

Dr. Lawrence Simonson - Co-leader

Team:

Dr. Gary Ballman - Project Coordinator

Mr. James Burke - Area Extension Agent

Mr. Richard Korte - Area Extension Agent

Support Participants:

Dr. Gordon Rose - CRD Project Leader

Ms. Lois Mann - Assistant CRD Leader

Mr. Arnold Heikkila - Area CRD Agent

Mr. Robert Olson - Extension Food Service Specialist

Dr. Roger Machmier - Extension Agricultural Engineer

Mr. Bud Crewdson - Extension Economist, Business Development

Ms. Gail McClure - Head, Communication Resources

Ms. Karen Lilly - Extension Communication Specialist

Mr. Tom Mack - Sea Grant Extension

Mr. Gerald Eisler - Cook County Extension Director (ROA)

Mr. Robert Soppoci - Cook Cou ty Extension Director

Mr. Duane Kuss - Previous N. St. Louis Co. Ext. Agent

3 Wisconsin Extension State Staff Members (Recreation Resource Center)

affected communities. An Advisory Committee was formed for this purpose and functioned effectively until adequate linkages were formed through specific programs and activities. At that point the committee was disbanded.

In many traditional extension programs, activities generate slowly as needs arise and are articulated. The luxury of adequate time was lacking in this program. Programs were conceived, developed and implemented quickly. That most efforts had successful outcomes can be attributed to the continuing coordination between all participants. On occasion some specific projects caused consternation and even developed opposition. The root of most of these problems lay in the rapid movement of the activity and a breakdown in communications.

It would be misleading to suggest that all goals in delivering educational programs to Boundary Water's participants had been met. Primarily because community grant programs emerged as a major factor (Section 5) and a great deal of time was required to provide technical assistance to them, many educational needs were left unfulfilled. For example, much of the wealth of the market studies undertaken in the course of the project was never mined and reported in depth to clientele who could utilize the information. A goal of the Extension Service, given resources that permit such accomplishment, is to continue the educational thrust to both the Boundary Water's economic community and tourism-at-large in Minnesota as part of an on-going extension program.

10. SOME INSIGHTS INTO COMMUNITY-RESOURCE-USER EXPERIENCE INTERDEPENDENCIES
IN NATURAL AREA RECREATION AND FUTURE POTENTIAL

This project produced insights into the relationship of a designated natural area of its supporting communities and its recreational consumers. These come from study of the BWCA itself and its users, the vicinity communities and their tourism services, and of evolving life style patterns in the United States.

U.S. Recreational Demands

Recreational tastes have undergone substantial change in the past three to four decades. A result has been that the recreational market has widened - a greater proportion of the population spectrum deliberately seeks recreation; and deepened - the kinds of recreational demands have expanded.

This change is compounded by many factors, only a few of which will be noted here to indicate their nature. Incomes are higher. Median family incomes in real terms (with inflation out) rose from \$10,005 in 1950 to \$19,600 in 1980. Median educational levels have risen in the same period from 9.3 years of schooling to 12.5. These two factors greatly expand the range of choice, and education particularly appears to strongly influence demand for participatory wilderness experiences.

The number of people living in or near metropolitan areas has increased. Such individuals want to experience natural areas. The 1981 Chicago market study conducted by the program found 86% planning "natural area visitation" as a part of their vacation.

In terms of age, the most rapidly expanding group is that in the family managing years, 35-49. They will have increased from 35 million in 1977 to 46 million in 1987 - up 31%. They typically have two wage earners and two children to whom they wish to give experiences. Further, the 65 and over segment is expanding (up 19% in the 1977-87 period) and showing strong demand for travel.

The above factors suggest that a very large number of people wish to "experience" the unique beauty of Minnesota's north woods and waters. But their experience demands vary widely. A relatively small number eagerly challenge the wilderness physically - matching wits and muscle. A much larger number seek the experience but at a different level. They prefer and have rights to less physically demanding, less psychologically threatening experiences. Many of these latter need not penetrate the dedicated BWCA nor engage in consumption recreation to have their demands fulfilled.

The above documents demand for a range of natural area recreational area experiences. The larger BWCA region is relevant to this demand. Some require entry into the dedicated area, but for many this is not only not demanded but undesirable.

The Provision of BWCA Accesses by Private Hospitality Firms

Significantly, private hospitality firms serving the waters edge in the BWCA were found more important in access to the BWCA region than the dedicated area itself. In summer 1978, an average of 5,260 were housed overnight compared to an average of 4,280 who were daily in the dedicated area. The hospitality occupancies do not include group camps, motels in area cities, nor North Shore facilities.

As another example, guests of North Shore facilities in Cook county including Grand Marais, reported that they spent about one-third of their time elsewhere in Northeastern Minnesota and that 19% entered the dedicated BWCA. The North Shore and the BWCA are different features but they are clearly closely interrelated.

These findings reveal important aspects of the role of private commercial hospitality services outside but in the vicinity of the BWCA to recreators' area access and recreational experiences. They indicate that the large majority of regional tourists are not single-mindedly interested in penetrating the BWCA.

General observations of the BWCA and other reserved recreational areas suggests that recreational users could benefit from attention to cooperative management by all concerned interests in contrast to focus upon the dedicated area alone. It was found that limited systematic provision for recreation in the area surrounding the BWCA was available. But the unreserved area is a larger area, and much of it is as high quality as in the dedicated area. It was for this reason that the "Recreational Concepts" and the "Community Theme" projects were launched in this educational/technical assistance program. Outcomes of these projects suggest that:

- The communities and their hinterland provide the "entering to the BWCA. This is important to the overall return to recreation.
- The hospitality services are the most important access facilities.
- The hinterland area offers opportunity for a wide range of experiences of high quality and having commercial service return to local communities.
- Many can be thus diverted from the BWCA making possible a better quality wilderness experience for those who do enter.

The Future Potential

A summary of applied research findings and project experiences suggests the following:

- Demand for recreational experiences of the type available in the BWCA and its vicinity is large. Further, they range widely in type.
- The region's tourism industry and its ability to serve U.S. recreational needs bases upon three major components:
 - The dedicated BWCA, which is managed to provide wilderness experiences, provides the area with a national level destination image.
 - The urban communities in the vicinity are focal points for service. They are also focal points for travel and important providers of recreational experiences in their own right. Further, it is here that developments can occur that might otherwise reduce natural qualities if located elsewhere.
 - The hinterland rural land - much of this is of high quality for recreational use, but commercial services can be provided. Substantial expansion of hospitality services here, and things for tourists to see and do - trails, historical interpretations, etc. - could occur to advantage of the tourism economy, general recreational tourist and BWCA user.
- The above three elements rather than being in competition are inter-related in their provision of recreational experiences.
- Needed is an on-going flow of accurate information concerning markets and management.
- Needed also is a free communication flow among all interests in the region's welfare.
- For tourism to achieve its potential in relative economic advantage - the development of area facilities, services and marketing methods must continuously readapt to the evolving events and life styles of the United States.

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 - Overall BWCA vicinity
 - BWCA vicinity communities (Crane Lake, Ely, Grand Marais, Lake Vermillion Area).
 - 25 individual resorts.
 - Outfitter Customers:
 - Overall BWCA vicinity
 - BWCA communities (Ely and Grand Marais).
 - 23 individual outfitters.
 - BWCA users not using resorts or outfitters.
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Appendix A

TOURISM MARKETING SUPPORT MATERIALS

Throughout the BWCA Educational and Technical Assistance Program, Staff assisted area organizations with the production of a wide range of marketing support materials. Following is a selected list.

Crane Lake Commercial Club

"Crane Lake: On the Minnesota Canadian Border" - a six-panel, four-color, area lure brochure.

"The Grate Fall Escape" - a six-panel, four-color direct mail brochure for a special fall promotion.

Ely Area Development Council

"Plan a Winter Adventure in Ely and the Surrounding Area" - an eight page, four-color winter lure brochure distributed in conjunction with a T.V. and magazine campaign.

"Ely Really" - a community pride campaign (buttons, bumper stickers, store window posters, street banners).

Grand Marais and Gunflint Trail Outfitters Association

"Membership Directory" - for distribution at the Dallas Sports Show.

Lutsen-Tofte Tourism Association

"A Yearful of Reasons to Enjoy Lake Superior's Seasons" - four-color lure brochure.

"North Shore Mountain Ski Trails" - brochure describing area skiing facilities and trails.

Minnesota Arrowhead Association

"There's Nothing Else Like it in the World: Minnesota Boundary Waters Country" - a 16-page four-color area lure brochure for distribution through "Operation Border Country" marketing program.

"Border Country/BWCA map", Border country Business list" - a listing and description of the tourism businesses participating in the Border Country program.

Pearsall's Voyageur Travel, Inc.

"Border Country: Northeastern Minnesota" - a 22-page, four-color package tour and brochure describing 38 vacation packages used in the package tour demonstration project.

"Border Country Slide Tape" - a slide tape for use as a sales piece by area organizations and travel agents.

Tip of the Arrowhead Association

"Discover Nature and Yourself" - a 12-page, four color lure brochure.

"Minnesota's Northland" - updated version of "Discover Nature and Yourself".

"Four Seasons of Fun" - two-color summer tourism facility, points of interest and activity maps - one for winter, one for summer.

"Cook County Ski Trail Maps" - packet of weather-proofed trail maps.

"Tip of the Arrowhead Map" - map insert for use with lure brochures.

"Tip Stop" posters - used in conjunction with point of sale and newspaper winter campaign.

Vermilion '82 Steering Committee

"The Vermilion Experience" - eight-panel, four-color area lure brochure used in the Vermilion '82 and '83 marketing programs.

"Vermilion Area Map and Facility Listing" - insert for lure brochure.